



**Our vision is  
"to deliver excellent Housing Services"**

# **Customer Insight Management Strategy**

## **Newark and Sherwood Homes Limited**



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# 1 Introduction

Turning knowledge about customer' behaviours, needs and aspirations into tangible outcomes is referred to as "Customer Insight." Customer Insight combines factual, quantitative information with qualitative information about attitudes, to group individuals together in a manner which helps service providers identify groups with common needs.

Traditionally within social housing these groupings have been made purely using quantitative information such as age or disability or even purely the type of house in which a customer lives. As our customers and therefore their needs and aspirations change, Newark and Sherwood Homes must develop more sophisticated mechanisms for capturing qualitative and quantitative data about its' customer to ensure the services provided and the services demanded by our customers.

Customer Insight has been used successfully in the private sector for many years. Mounting Government pressure on social landlords to deliver more tailored and personalised services means that increasing numbers of public service and housing organisations are adopting Customer Insight protocols as a tool to developing customer focussed services.

## **The Purpose of the Newark and Sherwood Homes Customer Insight Management Strategy**

The Newark and Sherwood Homes Customer Insight Management Strategy builds on the wide range of data and insight currently held by the company and further develops the use of this data and insight to provide services even more effectively tailored to our customer needs.

In achieving this purpose the customer insight management strategy will aid the delivery of Newark and Sherwood Homes Vision "to Deliver excellent Housing Services"

And the companies objectives:

- To deliver upper quartile and improving performance in customer satisfaction and all areas of service provision.
- To be providing Housing Services within the community
- To provide investment and service solutions to deliver sustainable Homes and sustainable Communities in the future

The customer insight management strategy will also deliver the following Core values of the company in reaching the vision and objectives:

- Customer First
- Valuing Everyone
- Delivering Excellence
- Making Positive Improvements
- Sharing Information

## **The Aims of the Newark and Sherwood Homes Customer Insight Management Strategy**

The Newark and Sherwood Homes Customer Insight Management Strategy will:

- Develop a profile of Newark and Sherwood Homes customers
- Develop customer segmentation based on traditional, behavioural, demographic and value based profiles
- Allow the tailoring of services based on the different customer segments
- Utilise the customer profile information in key strategic and operational decisions
- Ensure customers receive feedback detailing how the data they have provided is being used by Newark and Sherwood Homes

## **What is Customer Insight?**

Does Newark and Sherwood Homes know as much about its tenants, residents and leaseholders as Tesco knows about its customers? For example do we know who are customers are? What they do? And what services they want us to provide? Do we know what our tenants and residents needs and aspirations are for the future? This type of information is key to developing and delivering customer driven services which are both tailored and represent value for money. This knowledge about customer's behaviour, needs and aspirations is often referred to as "Customer Insight" and can be translated into outcomes for both the customer and the Company.

The dictionary definition of insight is:

"The ability to perceive clearly and deeply"

This is the possession of deep, embedded knowledge about customers and the market in which we operate that helps us structure thinking and decision making. In a customer focussed organisation, such as Newark and Sherwood Homes, this is something that everyone in the organisation should have, at least to some degree.

Put simply, in social housing Customer Insight combines a knowledge of demographic factors, with information about customer's behaviour, needs and aspirations.

## **The UK Housing Policy Context**

Several key aspects of current housing policy are acting as a driver for housing organisations to make better use of Customer Insight. These include:

- The Community Empowerment Agenda
- The Role of the Third Sector
- The Hills' report on the Future of Social Housing
- The Local Authority Performance Framework
- The Audit Commissions Key Lines of Enquiry
- The Housing and Regeneration Bill

## **Using Customer Insight to Support Business Objectives**

For Newark and Sherwood Homes, using Customer Insight can make a real difference to the lives and experiences of tenants, residents and leaseholders through the provision of customer driven services and support. Newark and Sherwood Homes already takes a customer focussed approach to delivering services, measuring satisfaction through methods such as the STATUS and other customer satisfaction surveys.

Customer Insight can support Newark and Sherwood Homes to:

- Develop a tailored service for tenants, residents and leaseholders
- Inform strategic planning and policy development through a robust evidence base
- Reinforce the position of tenants, residents and leaseholders at the heart of the business allowing future services to be customer driven
- Improve cost efficiency and value for money through only delivering the services which customer want
- Increase understanding of what drives and influences customer satisfaction
- Understanding the needs of vulnerable and other hard to reach customers
- Continue to involve tenants and residents in the planning and development of services
- Recognise the most appropriate ways to communicate with tenants and residents
- Anticipate and track changes in demand.

## **Who are Newark and Sherwood Homes' Customers?**

An organisations customers are those individuals or groups who receive or purchase services from the organisations. Newark and Sherwood Homes customers are therefore predominantly the tenants and residents who live the properties which Newark and Sherwood Homes manages on behalf of Newark and Sherwood District Council. Newark and Sherwood Homes also increasingly provides service to Leaseholders whose freehold is the possession of Newark and Sherwood Council. In addition Newark and Sherwood Homes provides services to potential customers who are seeking accommodation through the lettings and allocations process.

In this context shareholders such as Newark and Sherwood Council and other partners are not viewed as customers.

## **Why Should we Collect Information About our Customers?**

Customer Insight is a strategic asset which is as important to a business as IT and it must therefore be managed as a strategic asset.

### **Collecting the Right Information**

When collecting information to build Customer Insight it is important to consider how to make best use of existing information and how existing data collection methods can be used to keep information up to date. Intelligent and innovative methods of collecting information will minimise the need for actions by customers.

### **Using Existing Information**

Newark and Sherwood Homes already holds a vast amount of information about its customers and uses this information to tailor the services which it provides. This data could be further reconciled, with the use of developing information systems to improvement data management, to offer even greater insight into our customer needs and wants.

### **Improved Information**

In order to develop valuable customer profiling information, which will lead to effective Customer Insight it will be necessary to gather improved information such as:

- Information which further defines customer demographics – who our customers are
- Information that defines customer needs and behaviour – what they do?
- Information that defines customer attitudes, lifestyles and aspirations – how they think and feel

## **What Type of Information will Newark and Sherwood Homes Collect?**

### **Demographics**

This is the basic information about customers and will include:

- Name
- Address
- Age
- Family Composition
- Gender

- Ethnic Origin
- Language
- Disability details
- Communication Needs
- Sexual Orientation
- Religion or belief

Demographic information can be a useful tool assist estate planning or the assessment of regeneration and future investment opportunities. For example, knowing the number of children living on an estate may allow for the provision of specific services during summer holidays.

## **Customer Needs and Behaviour**

Understanding our customer is one thing, understanding what they do and why they do it is the next key step in developing a real Customer Insight. Behaviour can be defined as what customers do or in some cases what they don't do. Typical information on behavioural constructs could be as follows:

- How rent is paid
- How customer access services
- Number of complaints or feedbacks logged
- Type of complaints or feedbacks
- Transfer status
- Eviction status
- Repair requests
- Cost of repairs

Softer attributes such as participation or involvement in events may also be included in this element of Customer Insight.

## **Customer Attitudes, Lifestyles and Aspirations**

Collecting data about what attitudes, lifestyles and aspirations they have can also be used to influence the way services are delivered and can help Newark and Sherwood Homes understand what customer want from the company. The following are examples of questions which Newark and Sherwood Homes may ask however, the exact question will obviously be dependent upon the aim of the particular project:

- What do you like/dislike most about your home?
- Where would you like to live in 5 years time?
- Would you like to own your own home?
- Where do your children go to school?
- How can services be improved?

## **Checklist for Data Collection**

- Research and data gathering should be fit for purpose
- A combination of methods to ensure all customer views are taken into account as not all customers will want to participate
- Define the precise group of customers you are interested in
- Recognise the diversity of our customers and ensure that the design and execution takes this into account
- Customers should be told how their views will be used and how they have influenced any changes
- Understand and utilise what is already known
- Recognise that collecting too much, too frequently can lead to survey fatigue which will impact on the quality of data collected

## **How Should we Collect Information About our Customers?**

Customer Views about the services they receive from Newark and Sherwood Homes are gathered through feedback forms, surveys, conversations with members of staff and formal discussion groups such as the Continuous Improvement Groups. Discussion groups or other forms of qualitative research, such as interviews or forums, allow customers to talk about what they like and do not like about a particular service. This qualitative information is essential to fully understand what people think about services.

Quantitative research, such as surveys, provide numerical measures of people's views. This can be useful for:

- Understanding the relative importance of different issues to different groups of customers
- Measuring improvement over time
- Comparing performance with other providers
- Understanding whether some groups of customers are less satisfied than other with the service they are receiving

Care must be taken when using survey data for comparisons due to the type of data collected, the way the data is collected and stored. Newark and Sherwood Homes needs to ensure that data is collected and stored in a manner which allows for the accurate comparison of data on which strategic decisions can be confidently made.

## **What are the Issues Regarding Data Protection?**

The law does not prevent the collation and holding of personal details for a long period of time or using the details for a variety of purposes. Nor does the law

prevent the sharing of data between agencies. Data protection law are, in fact, designed to enable this so long as the two key principles are adhered to:

1. Transparency; customers must understand how the data will be used
2. Consent; customers must consent to the use of data in this way

All data collation mechanisms should therefore carry text that covers how the data will be used and make it clear that:

- It will be used solely for measuring performance and planning future services
- It will be used by the ALMO and partner organisations involved in the delivery of local services
- It will be used anonymously.

## **Turning Information into Insight**

Insight is about having a real understanding of what customers want based on who they are and the way they think and behave. Whilst data collection provides some level of understanding, the essential element of developing meaningful Customer Insight is through the evaluation and translation of information.

Creating Customer Insight principally involves the analysis of data to understand the what and the why. Insight will provide information that demonstrates that people are different. How and why they do things will often depend upon who they are, where they live and what they think. This information can be translated into changes in both current and future service options and delivery.

## **Customer Profiling**

Customer profiling (sometimes called customer segmentation) is the process of identifying and grouping together customers who have the same or similar attributes such as age, gender, interests or spending habits. This information is one of the most effective ways of identifying groups of similar customers and the vital differences between groups of customers.

By creating different customer segments Newark and Sherwood Homes can further develop its understanding of the needs and preferences of different groups of customers and tailor the services to meet each group's specific needs.

The most common profiles within a social housing context are based around traditional and value based profiles:

### *Traditional Profiles*

Traditional profiles identify customers segments based on demographic and/or behavioural variables.

## Demographic Profiles

Segments groups of individuals according to common demographic characteristics such as:

- Customer is married, has children, lives on a certain estate, pays rent by direct debit and has access to the internet.

Or

- Customer is a single, elderly person living in a three bedroom house with mobility problems.

An example of the demographic profile for Newark and Sherwood Homes could therefore look like this:

- 63% of tenants and residents have a female head of household
- Over 50% are older people" as defined by government (over 55)
- Only 6 tenants require alternative language arrangements
- There are 500 + wheelchair users
- Almost 10% of tenants have visual and/or hearing impairment

## Behavioural Profiles

Segments groups according to certain lifestyle choices and behavioural attributes in terms of how people think or act. For example:

- Customer pays their rent through standing order but would prefer to pay by direct debit

An example of the behavioural profile for Newark and Sherwood Homes could therefore look like this:

- 81% of tenants and residents had one or more repair request
- 18% had unacceptable rent arrears
- 16% had a notice of seeking possession
- 5% had made a complaint
- 4% had joined the transfer list

Although the collection of demographic information is often the easiest it needs to be linked with behavioural profiles to be useful. A clearer picture of customer starts to emerge when demographic and behavioural data is combined which then helps to inform the decision making process.

## Value Based Profiles

Value based profiles identify customer segments in terms of the income they can generate and the costs of maintaining relationships with them. For

Newark and Sherwood Homes this would relate to income management such as rent collection and the costs of providing these services.

## Key Factors for Successful Segmentation

The most important element of Customer Insight is the translation of the insight into tangible outcomes. This can be particularly challenging for social housing organisations who have historically delivered well intended services to meet what has been perceived as the service users “needs and wants.”

In a public funded service with finite resources such as Newark and Sherwood Homes where individually tailored services are out of financial reach customer insight will allow the more effective tailoring of services based on the majority of behaviours or for some services to be individually tailored so long as they are cost effective. For example:

- Some customers may indicate that they are generally satisfied with the current repairs service but would be willing to pay extra for additional services such as maintaining their gardens
- Single people occupying family homes would be happy to move to smaller accommodation if the landlord was able to offer practical support through the moving process
- Young people want to engage with the community but don't want to attend meetings – engagement opportunities are more likely to be taken up if promoted through text, online or email

### **What Newark and Sherwood Homes Does Now**

Newark and Sherwood Homes already collects a range of data from its customers including:

- Data on customer satisfaction through the STATUS survey
- Feedback on specific service provision such as repairs and maintenance.
- Complaints and comments through the complaints scheme
- Feedback on Decent Homes works
- Comments from customers through a variety of forums such as Area Panels

### **Key Actions to Achieve the Strategy**

The following key actions will be managed through the performance management framework to ensure the Customer Insight strategy is achieved:

- Completion of the tenant census to gather appropriate customer data
- Utilise the sign up process and future surveys to collate comprehensive information on its tenants and other household members

- Utilise the forums prescribed in the resident involvement strategy and improvement planning process to obtain information on customer needs and behaviours, attitudes, lifestyle and aspirations
- Gather data from a variety of sources including Newark and Sherwood District Council, Nottinghamshire County Council and Census

### **Monitoring of the Strategy**

The key actions of the strategy will be embedded in the Newark and Sherwood Homes performance management framework and the delivery of the actions will be managed in line with the framework.

### **Review of the Strategy**

Customer Insight is an evolving science and it would therefore be prudent for this strategy to be reviewed on an annual basis for the next three years.

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