

Marketing Society Awards 2011  
Marketing Organisation Winner



British Gas Segmentation into Action

## Introduction

In 2008 British Gas set out with a Vision of “getting back to great”. At the heart of this initiative was the drive to put the consumer back at the heart of everything they do.

In an increasingly confusing market place, characterised by changing energy prices, strong competition and an economy entering recession British Gas knew, now more than ever, was the time to really get close to their customers.

In an independent report commissioned in 2009<sup>1</sup>, it was clear that British Gas marketing employees were also aware of the challenges ahead. The marketing team felt competition was getting tougher.

When asked how equipped they felt to do the job, the marketers rated themselves “good” within their sector, however they didn’t feel that they were “world class”: overall ranking their marketing capabilities 5.7 out of 10.

As a result of the survey findings the business set out to further engage the marketing teams in the mission of putting customers at the heart of the business. The aim was to ensure the teams were equipped with the skills and knowledge they needed; and most of all, were motivated to take British Gas further on the journey “Back to Great”.

## Getting closer to the customer’s world

Central to this Mission was the creation of the One British Gas Segmentation Model.

The Segmentation Model was designed internally by the Insights Team, led by the recently appointed Insights Director, Julian Elliott. The team used transactional, behavioural and demographic data to create 8 customer segments and then overlaid attitudinal data to add real insight to each segment. The end result was a model which brought 8 customer segments to life in a user-friendly and easily understandable format.



The model allowed British Gas to see their customers more as people and not just accounts. It would help the teams to identify valuable insights about their segments driving the development of more tailored innovation, more targeted communication and improve British Gas’ relationship with their customers

At the time of the internal survey the Segmentation Model had just been launched. The model had excellent early take up and by May 2009 21% of respondents agreed that British Gas was working to the One BG Segmentation model, aligned across the business.

<sup>1</sup> 136 employees and 9 agency participants (148 participants from British Gas marketing and agency partners via online questionnaire and 6 in-depth interviews) run by an independent agency

However the team recognised the value in getting more of the business aligned quickly, so Julian and his team then turned their attention to fully embedding the model throughout the organisation.

## **Embedding the One BG Segmentation model**

Working collaboratively with EffectiveBrands, the British Gas Team began a journey of internal engagement. With the goals of embedding the One BG Segmentation Model throughout the organisation; building capability in using the model and improving marketing effectiveness and proposition development the team began to build a program of activity.

### **1. Engaging the Business**

The British Gas project team defined a clear vision and scope for the project, together with key members of the British Gas Executive team, through a series of workshops. This was closely followed by a One BG Segmentation Model introductory event with the Top 100 managers across the business.

After successful connection with key stakeholders, the Segmentation Model was ready to be shared and embedded amongst the wider British Gas community.

### **2. Embedding a New Way of Working**

The Embedding Program consisted of 4 key elements:

#### **i. LiveAction workshops**

LiveAction workshops were run throughout the spring and summer of 2010. Teams got to know the segments in a fun and engaging way and were introduced to the new tools designed to help teams work with the model. Each workshop was also specifically tailored for the 12 P&L or functional teams attending, with focus on real, live business challenges, where the One BG Segmentation Model could be used to provide a solution.

#### **ii. Insight workshops**

Segmentation and Insight workshops also ran throughout 2010 giving further support to over 100 attendees who were identified as key users of Segmentation and Insights

#### **iii. E-Learning**

A tailor made e-Learning module was developed to introduce employees to the Segmentation Model. Its fully interactive point-and-click interface and mini-exercises ensured that the learning journey was engaging and enjoyable. Through this tool, all employees gained a basic level of understanding before going on to attend a Live Action workshop. It is still being used now as the first step to quickly and efficiently on-board new employees



#### iv. The Marketing Conference

The final element of the embedding phase was the Marketing Conference where the One BG Segmentation Model was the core theme. The 8 segments were brought to life by actors and through an innovative and engaging program attendees worked with the segment actors to build new propositions. The day culminated with a Dragon's Den video pitch of new propositions supported by true customer insight.

Against the main objectives the program scored extremely well:

The Live Action workshops were well received with post evaluation scores of 4.8 out of 5 on "I understand why segmentation is important to our business" and 4.7 out of 5 on "I have a good idea who our 8 segments are".

The Segmentation and Insights workshops showed significant improvement on the understanding of Insights and how to use them (see table 2).

#### Insights workshops showed improvement on every score

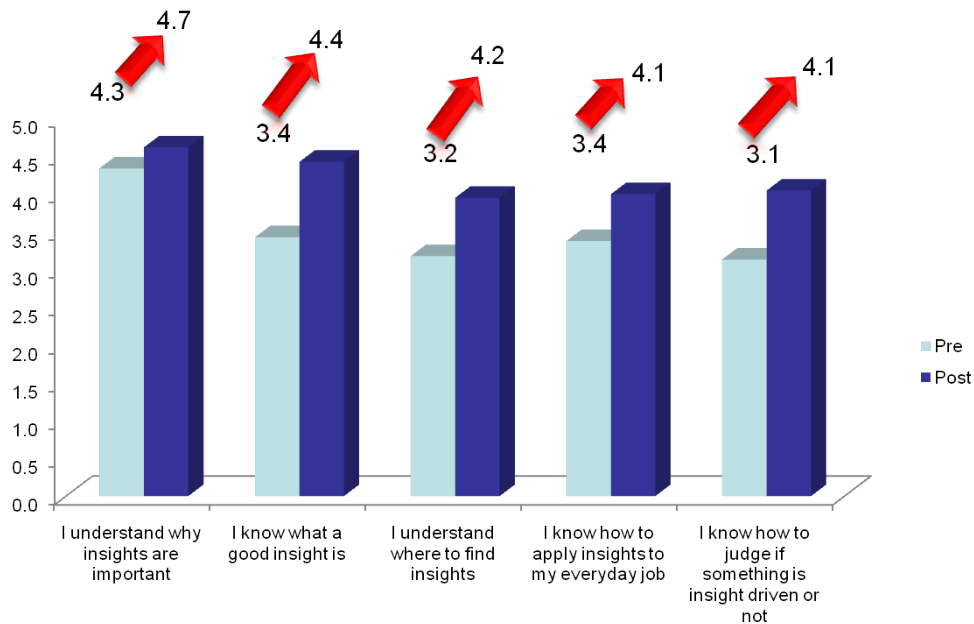


Table 2: Segmentation & Insights Workshops – pre and post scores

The Marketing Conference produced outstanding results with 96.7% of respondents agreeing/strongly agreeing with the statement "I feel more comfortable using the segments in my future work".

#### Results

The British Gas team, keen to understand the impact of the program on British Gas overall marketing capability, re-ran the independent internal survey in August 2010<sup>2</sup>. The results were extremely encouraging and are summed up well with a quote from a respondent, "I feel that British Gas has improved massively over the past year".

<sup>2</sup> 136 employees and 9 agency participants (148 participants from British Gas marketing and agency partners via online questionnaire and 6 in-depth interviews) run by an independent agency

Over 67% of respondents agreed that British Gas capabilities had shown good or considerable improvement in the past year. There were significant improvement in ratings for Strategic Clarity, Engaging Brands, Customer Experience and Insight. Ratings from agency partners demonstrated that they too have noticed the improvement, with segmentation and a general increase in customer focus driving this positive trend. "British Gas is on a fundamental business and brand transformation journey...in the past year they have improved immensely"