Using Customer Insight to Drive Channel Shift
October 2011
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Executive summary

The context for this report is the work of the Improvement Service’s Customer First Programme which, in partnership with Scottish councils, is seeking to drive forward a greater take-up of services through lower cost channels, including online. This is within the wider context of supporting local government to explore ways of taking demand and cost out of the system to protect front line services whilst working towards meeting customers’ expectations in the internet and digital age.

Objective

The Customer First Programme identified a need to better understand how customer insight can play a role in driving the development and implementation of channel shift strategies amongst Scottish local authorities.

Working in partnership with Experian and Scottish Borders Council, the available UK evidence has been reviewed to provide some context on how insight has been applied to channel shift. Analysis using actual data was carried out to demonstrate how this approach can be put into practice to help design and drive a council’s channel shift objectives.

Findings

The analysis looked at a subset of services in Scottish Borders Council. It shows, for example, that in Scottish Borders for Waste & Recycling, Pest Control and Bulky Uplift services the potential savings from channel shift could range between £63,658 and £83,393 per annum freeing up money to re-invest into front line services. These savings are ongoing year on year and therefore an estimate of the savings over 3 years would be between £192,000 and £249,000.

To demonstrate the specific opportunity for channel shift suggested by Scotland’s demographic profile, we have analysed the channel preferences of Scotland’s population by socio-demographic group using Experian’s Mosaic tool. For example, the average % by council area with a preference to buy over the internet (a proxy here for a council transaction) varies from 54% to 63% across Scottish council areas (see Figure 2.1). There will also be variations within individual council areas depending on the mix of household types present.

Thus, it is possible to quantify the extent that young single adults are more likely to prefer receiving marketing messages by SMS than via more traditional channels of communication such as newspapers or posters. This specific data can be used to focus campaigns on specific groups and to reach them in the most effective and cost efficient way to ensure significant uptake of new service channels. The demographic tools also provide insight into the media preferences of each type.

This targeted approach also enables specific measurement (at the point of collection) of whether the groups targeted are actually those being driven to these services on the web.

Were the potential savings for Scottish Borders Council identified for the Waste and Recycling, Pest Control and Bulky Uplifts services to be replicated at a similar scale for Scotland this has the potential to create savings over 3 years of £11.3 million for these services in Scotland. This is based on a very simple extrapolation of the Scottish Borders savings pro-rata to the Scottish population. This of course makes the assumption that the cost base, socio-demographics, propensity to switch channels and installed technology are the same across Scotland, which of course they are not. However, allowing for these assumptions this illustrates the potential scale of savings that could be made from

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1 Using standard costs from Socitm Insight 2009 report, see Section 3.4 for details
these three services alone. Applied across a much wider range of council services clearly the potential for saving is much greater.

As the methodology takes into account the household’s preference for or propensity to use the internet or telephone-based services, there is also the potential here to increase customer satisfaction by delivering households services through channels that are more convenient for them to use given their lifestyles and preferences. Of course the key here in applying customer insight is to take account of local needs and preferences such that a multi-channel (off and on-line) strategy for service delivery is developed in each local authority appropriate to the specific needs of that authority.

Methodology

A set of service data from Scottish Borders Council was supplied to Experian. The council data was joined to Experian’s Mosaic Scotland customer segmentation tool to provide quantifiable insight into service usage by customers. The tool also provides measures of how ‘the propensity to use the internet and other channels’ varies between customer groups. These percentages have been combined with the service usage data to create specific measures of likely online shift for specific services. For example, for Scottish Borders Council, it is likely that 61% of service users are likely to use an online planning application, but only 52% of users might apply for council tax benefit online.

The Socitm standard costs, current service and channel usage volumes, and the propensities to shift online have been combined to illustrate how this could help the council target across services and increase take-up amongst the target groups.

Two illustrative scenarios have been run which suggest that for a small number of key services the ‘potential shift’ and savings could be substantial ranging from 33% to over 50% at the upper end of shift in these services. Care must be taken in extrapolating these savings to other councils as these reflect the Scottish Borders data available to this project and are also derived from the particular socio-demographics of the Scottish Borders area.

This method can be replicated across all services within a council and comparisons made to prioritise the potential cost savings for different services based on a combination of service usage volumes and the propensity of the service users to change to cheaper channels.

Additional Research – UK Background

The trend towards web-based delivery strategies in the UK has been a relatively recent one. This presents a challenge in terms of collating evidence of what has worked around the UK. However, a brief desk review suggested there are many councils going through this process and there are some common approaches to developing a multi-channel strategy. It has been found that a similar set of services tend to be prioritised by most councils for a shift online but a variety of different approaches have been taken in practice.

This varied approach is appropriate to the extent that a multi-channel strategy for an individual council must be suited to each council’s own area and customer base to ensure the widest possible take-up of new services and channels.

UK Background – Common Lessons

There are some common lessons from the desk-research around developing a channel strategy.

- A need to consider all channels not just web. For example, the use of smartphones and devices has led to a sharp rise in customers using these to search for information, and a demand for ‘apps’ to allow these users to self-serve
• Understanding customer demand, both current and future is crucial. The approach taken by a number of councils has been to rank service usage by channel and to link this to the profile of those currently using services and (given their preferences) the potential to shift in future.

• Not all savings will come from a shift to usage online or via a contact centre. Westminster Council have estimated substantial savings from using self-service technology within libraries themselves, thus retained some degree of face-to-face transactional servicing.

• There are some popular services that are increasingly being used by council service users via the web that may provide some quick wins e.g. rubbish collection. As these change over time, this also represents a need to review and adapt the focus of a channel shift strategy over time as users’ online behaviour changes.

• There are some positive examples, such as in Fylde Council, where some groups thought to be hard to reach have been successfully targeted. This is important as blunt internet access data would suggest that older people are less likely to demand services through the web. A greater degree of customer insight and granularity of data in this case enabled the council to target those older groups interested in engaging via the web.
1 Context

1.1 Customer First Channel Shift programme

Customer First is a Scottish Government-sponsored programme developed in partnership with Scottish local authorities and managed, with the support of the Scottish Government, COSLA, and SOLACE, under the Improvement Service's direction. Its objectives include working in partnership with councils, to ensure:

- Customer-focused, easier to access, better integrated local services
- Effective collaboration across the public sector, better use of public resources
- High standards of public service, and a willingness to innovate and learn from others

A priority objective identified in the Customer First’s 2011/12 Business Plan is:

*To improve the cost effectiveness of public services by empowering customers to access public services at a time and location that reflects their needs and to be able to securely transact and track online.*

In taking forward these aims and objectives, a stakeholder-led Channel Shift Programme Board has been established, to shape and drive a number of work streams designed:

- To take demand and cost out of the system to protect front line services
- To meet customers’ expectations in the internet and digital age, for their dealings with government to be as easy as internet banking or shopping
- To increase substantially the volume of transactions handled online

With internet access and usage increasing across the country, more people using mobile telephones than landlines, and a massive upturn in the sale of smartphones, there is now a clear demand for public services to be available on the move – anywhere, at anytime. The Channel Shift Programme is focusing its activity on supporting councils to meet these fresh challenges and save money by achieving a substantial shift in the volume of transactions being handled through cheaper communications channels – including online and smartphones.

1.2 Objectives of this research

Customer insight in its simplest form involves the use of rich customer data to profile and segment customer needs and channel behaviour into manageable groups which can then be used to target marketing messages and drive service take-up and design. To explore the potential use of customer insight, Experian have been engaged by the Improvement Service under the Customer First work stream to undertake this study to:

- Reveal demographic make-up of individuals using cheaper channels
- Reveal which services are best targeted to achieve a positive shift to cheaper channels
- Provide an evidence base of their likely impact and % of the shift that could be achieved
- Identify factors critical to success
- Identify an effective PR campaign approach to encourage the take-up of online services
2 Demographic make-up of individuals using cheaper channels using insight

2.1.1 Insight for channel shift approach and methodology

Experian’s approach to developing and deploying insight around channel shift is based on the following steps:

- Customers’ service needs are a function of each individual customer’s demography, affluence, lifestyle and behaviours.
- Customers’ willingness to use new channels of communication and transaction varies and can be understood in the context of their demography, affluence, lifestyle and behaviours.
- Customers’ ability to access these new channels also varies according to their demography, affluence, lifestyle and behaviours.
- Experian has developed tools and techniques to understand these variations in demography, affluence, lifestyle and behaviours that can be applied to council service data.
- We have created a methodology to bring together these factors into a framework that, when combined with service user data, can be used to quantify potential changes, highlight quick wins and provide insight and evidence for the most appropriate channels for deployment.

Experian’s Mosaic Scotland segmentation has been used here to understand demography, affluence, lifestyle and behaviours; and channel propensity models have been used to further inform potential channel shift. An explanation of the Mosaic Scotland segmentation is provided in Appendix 1.

2.2 Analysis of channel and media preferences using Mosaic Scotland

Using Experian’s Mosaic Scotland data (see Appendices 1 and 2 for details of the segmentation); it is possible to describe the population and households of Scotland across the 10 segments or groups. The extent to which each of these segments is present in an individual local authority will vary creating a unique socio-demographic footprint for each local authority area. It is precisely this ability to profile the specific citizen needs of an area which enables a channel shift strategy to be tailored accordingly.

The 10 Mosaic Scotland groups are:

- A Successful people living in the choicest suburban locations
- B Busy families who are moving up in their careers and lifestyles
- C Middle wealth households with a local outlook
- D Rural communities and isolated farmers
- E Young, well educated singles in city apartments
- F Single people living in the older flats and houses of town centres
- G Owner occupiers of ex-council housing living in stable communities
- H Families with children living on limited means in low rise council housing
• I Very low income households in council flats
• J Elderly residents in publicly rented accommodation

Underlying these types and their descriptions are a set of over 400 variables for each household type, adding new insight into affluence, location, lifestyle and use of different communication channels.

For example, Group E (Young, well educated singles in city apartments) is almost uniquely found in living in the centre of Glasgow, Edinburgh, Dundee and Aberdeen; while Group D (Rural communities and isolated farmers) is mostly found in the more rural and island councils: Grampian, Argyll and Bute, Orkney and Shetland amongst others.

Figure 2.1 shows the index scores by Mosaic Scotland Group for each council. The index is calculated by comparing the proportion of each Group within a council with the proportion of that group in Scotland; and then multiplying by 100 to create the Index value.

• An index of 100 means the selected council’s percentage is equal to the percentage for Scotland.
• An index less than 100 means the group is under-represented, and greater than 100 is over-represented.

For example, Aberdeen City has an Index of 300 for Group E which means that Group E is three times more likely to be found in Aberdeen City than in Scotland as a whole. Index values greater than 150 are shown in red; while Index scores below 75 are shown in blue to highlight the more significant variations from the Scottish average.

There is a significant variation between the Mosaic Groups in their take-up and use of services offered by their local council, as the Scottish Borders Case Study demonstrates. As an example, Group J is predominantly an older and less affluent group who will typically consume more council services in terms of council tax discounts, other benefits payments, social care and support services. This is in contrast to other types such as Type A02 Wealth of Experience who have a similar age profile but a greater level of affluence and hence a lower demand for council services.
Using Customer Insight to drive Channel Shift

The preference to use different channels also varies by segment. The Mosaic segmentation contains data for each household on their likely preference for the internet, mobile and fixed telephony, post, Digital TV and E-mail. It also tells us how they like to find out information about services whether through TV advertising, newspapers, magazines, radio, cinema or the Internet. Combined, these two sources enable us to understand which channels people prefer to use, and also which media we need to use to communicate with them about new services being delivered via these channels. As an example, Figure 2.2 shows the percentage of each group who are likely have access to home broadband, and secondly who make use of the phone as a means of gathering information.

<table>
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<tr>
<th>Council</th>
<th>Households</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>Prefer Purchasing via the Internet</th>
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<tr>
<td>West Dunbartonshire</td>
<td>41,846</td>
<td>7</td>
<td>114</td>
<td>84</td>
<td>11</td>
<td>4</td>
<td>76</td>
<td>93</td>
<td>171</td>
<td>194</td>
<td>184</td>
<td>53.7%</td>
</tr>
<tr>
<td>West Lothian</td>
<td>74,137</td>
<td>41</td>
<td>215</td>
<td>90</td>
<td>30</td>
<td>1</td>
<td>55</td>
<td>163</td>
<td>147</td>
<td>53</td>
<td>70</td>
<td>57.8%</td>
</tr>
</tbody>
</table>

Source: Mosaic Scotland Grand Index and Experian 2010 Household population estimates
By using the local profile for each council and the understanding of likely internet usage it is possible to calculate an overall percentage of people who prefer to use the internet for purchase. This is shown in the final column in Figure 2.1.

This value can be considered as an indication of the percentage of citizens in a council area who are likely to use the internet as a service delivery channel. The values range from 62.9% in East Renfrewshire to 53.7% in West Dunbartonshire. This shows the variation possible through understanding the local population. Clearly there will still be high and low pockets of internet usage within these local authorities too.
2.3 Using insight to design a Communications/Channel Shift Framework

As shown in the previous section, Mosaic Scotland can be used to inform the variation in communications preferences across the population. This set of preferences has been used to create a communications framework for Scotland as shown in Figure 2.3. This shows both the preferred channels for information (newspapers, SMS, Internet) and for service usage (Internet, Face-to-Face) by type.

Figure 2.3: Communications Framework for Scotland

<table>
<thead>
<tr>
<th>Mosaic Scotland Group</th>
<th>Information Channels</th>
<th>Service Channels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Internet</td>
<td>Telephone</td>
</tr>
<tr>
<td>A Successful people living in the choicest suburban locations</td>
<td>Neutral</td>
<td>Neutral</td>
</tr>
<tr>
<td>B Busy families who are moving up in their careers and lifestyles</td>
<td>Neutral</td>
<td>Positive</td>
</tr>
<tr>
<td>C Middle wealth households with a local outlook</td>
<td>Neutral</td>
<td>Negative</td>
</tr>
<tr>
<td>D Rural communities and isolated farmers</td>
<td>Neutral</td>
<td>Negative</td>
</tr>
<tr>
<td>E Young, well educated singles in city apartments</td>
<td>Strong</td>
<td>Neutral</td>
</tr>
<tr>
<td>F Single people living in the older flats and houses of town centres</td>
<td>Neutral</td>
<td>Negative</td>
</tr>
<tr>
<td>G Owner occupiers of ex-council housing living in stable communities</td>
<td>Weak</td>
<td>Weak</td>
</tr>
<tr>
<td>H Families with children living in limited means in low rent social housing</td>
<td>Neutral</td>
<td>Negative</td>
</tr>
<tr>
<td>I Very low income households in council flats</td>
<td>Weak</td>
<td>Weak</td>
</tr>
<tr>
<td>J Elderly residents in publicly rented accommodation</td>
<td>Weak</td>
<td>Weak</td>
</tr>
</tbody>
</table>

Source: Mosaic Scotland Grand Index and lifestyle surveys

The communications preference data in Figure 2.3 has been grouped into 5 bands ranging from Strong to Weak, and colour coded accordingly; where Red indicates low preference for a communication channel by that group compared to the usage across Scotland; while Green indicates higher than expected preference for a channel by that group compared to Scotland as a whole. The framework shows citizens’ preferred or more likely behaviour – it must be remembered that communications is a complex area and the preferences behaviours shown will overlap and vary according to specific circumstances. Citizens will show a tendency to use particular channels but will not exclusively do so. Circumstances around a specific transaction can also affect the decision about what channel is preferred, often in contradiction to what might be expected.

For example, Group A (Successful people living in the choicest suburban locations) have a strong likelihood to use internet and telephone channels; but Group J (Elderly residents in publicly rented accommodation) are almost entirely the opposite in their preference for face-to-face visits and reading newspapers. The implications for service re-design and priorities are significant in terms of people’s ability and preference to use online or telephone based services. These Scotland-level insights can be made locally relevant and actionable as explained in the next section, by using local transaction data to tailor them.
3 Web service prioritisation: Scottish Borders Council case study

To show how insight can be applied in practice Scottish Borders Council provided data to Experian to allow a specific example of the process of customer insight around channel shift to be generated. As has already been highlighted some of the insights provided in the following pages will be more relevant to councils that have similar Mosaic Scotland profiles to Scottish Borders and less relevant to others.

3.1 Scottish Borders Council Channel Shift context

Scottish Borders have been developing their online and contact centre capability for some time. They have highlighted the key milestones and challenges facing the development of their channel strategy at the time of this analysis as:

- A limited number of services available online
- Limited information available on current online activity
- A new website to be launched at the end of October 2011
- An internal restructure to create a web and digital media resource
- An ongoing review of the Customer Strategy
- No customer segmentation or insight to inform the customer strategy
- Limited CRM project resource to implement any changes.

3.2 Approach

To start to address the customer insight question Scottish Borders Council provided detailed customer data from its systems at address and postcode level about the current users of its services:

The list of data sets provided for this project is shown in Figure 3.1.
Using Customer Insight to drive Channel Shift

<table>
<thead>
<tr>
<th>Council Services</th>
<th>Available on line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Badge Holders</td>
<td>No</td>
</tr>
<tr>
<td>Free School Meals</td>
<td>No</td>
</tr>
<tr>
<td>Planning Applicants</td>
<td>Some applications online</td>
</tr>
<tr>
<td>Council Tax Discounts</td>
<td></td>
</tr>
<tr>
<td>• Single Person Discount</td>
<td>No</td>
</tr>
<tr>
<td>• Council Tax Benefit</td>
<td>No</td>
</tr>
<tr>
<td>• Second Home discount</td>
<td>No</td>
</tr>
<tr>
<td>• Other CT discounts</td>
<td>No</td>
</tr>
<tr>
<td>Library Members</td>
<td></td>
</tr>
<tr>
<td>• All Members</td>
<td>Book renewals online</td>
</tr>
<tr>
<td>• Members Using Library PCs</td>
<td>Yes</td>
</tr>
<tr>
<td>Waste &amp; Recycling Enquiries &amp; Others</td>
<td>See below for comments (section 3.4.1)</td>
</tr>
<tr>
<td>• All Enquiries</td>
<td></td>
</tr>
<tr>
<td>• Face-to-Face</td>
<td></td>
</tr>
<tr>
<td>• Voice In</td>
<td></td>
</tr>
</tbody>
</table>

These datasets were matched against Mosaic Scotland and a set of profiles were created to understand which Mosaic Groups are more or less likely to use each service. The profiles for each service are shown and described in the following sections. The individual service profiles have been collated into an overall service framework for Scottish Borders which is described in more detail in section 3.5. The profiles of each service have then been used to estimate the potential for moving service users from a face-to-face or telephone service to online service delivery. A detailed explanation of the calculations used in the profiles is included in Appendix 2.

### 3.3 Profiling Scottish Borders area by Mosaic Scotland

Experian applies Mosaic Scotland to every household in Scotland and therefore we can build a picture of any selected geographic area. The analysis for the Scottish Borders Council area is shown in Figure 3.2

Figure 3.2 shows that numerically Group D forms 35% of the Council’s area and is the largest single population segment. Groups C, G, and H provide 42% of the Council’s population. Using the Index column to compare Scottish Borders with Scotland as a whole allows us to understand that Group D
(Rural Communities and Isolated Farmers) is 3 times more prevalent in Scottish Borders than Scotland as a whole. It is also significant that Groups A and B are not present in as large numbers in Scottish Borders as Scotland – these Groups being the more affluent families and professionals. Group I is also under represented in Scottish Borders in comparison to Scotland; these households are amongst the most deprived in Scotland.

The Scottish Borders is understood as a rural area and the Mosaic data reflects that fact. The following analysis for each of the Council’s service areas demonstrates that Group D may be numerically significant; however, there are other Groups that will disproportionately make up the users or non-users of a specific service.

The Base populations used in the calculations have been varied to reflect the nature of the services being analysed; for example Planning Applications uses a count of households as there is most likely to be only one application per household; while Free School Meals data has been compared to the estimated population of Under 18s.

Throughout the following analyses Group E (Young, well educated singles living in city apartments) tend to show Index values well above or below 100 (significantly away from the norm). In most cases this is due the very small number of this Group who live within the Scottish Borders Council area, and hence the very small numbers of transactions that they generate, create large index values that are not necessarily statistically significant.

As Mosaic Scotland segments can be applied to every household and postcode, it is possible to create a map for any given area to understand the distribution of the segments across the Council’s area. Figure 3.3 shows the distribution of Mosaic Scotland segments within Scottish Borders.

While the focus of this report is on the potential to shift services to lower cost channels i.e. online and telephone, some groups and services will still require face-to-face delivery. The distribution of the Mosaic groups and their likely demand for services as shown in the Service Delivery Framework (section 3.5) can also be overlaid against the council’s delivery locations as part of the channel strategy.
3.4 Understanding the users of Scottish Borders Services

This section of the report reviews the Mosaic Scotland profile of the users of each service in turn to understand the actual current users of the service in Scottish Borders Council. The overall view is then explained through the Service Delivery framework shown section 3.5.

3.4.1 Blue Badge holders by Mosaic Scotland

Figure 3.4: Mosaic Profile of Blue Badge holders in Scottish Borders

<table>
<thead>
<tr>
<th>Mosaic Scotland Group</th>
<th>Target</th>
<th>%</th>
<th>Base</th>
<th>%</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Successful people living in the chicest suburban locations</td>
<td>280</td>
<td>4.0</td>
<td>3,717</td>
<td>3.3</td>
<td>123</td>
</tr>
<tr>
<td>B Busy families who are moving up in their careers and lifestyles</td>
<td>163</td>
<td>2.3</td>
<td>6,315</td>
<td>5.6</td>
<td>42</td>
</tr>
<tr>
<td>C Middle wealth households with a local outlook</td>
<td>932</td>
<td>13.4</td>
<td>15,101</td>
<td>13.3</td>
<td>100</td>
</tr>
<tr>
<td>D Rural communities and isolated farmers</td>
<td>1,051</td>
<td>15.4</td>
<td>40,090</td>
<td>35.3</td>
<td>81</td>
</tr>
<tr>
<td>E Young, well educated singles in city apartments</td>
<td>57</td>
<td>0.8</td>
<td>1,470</td>
<td>1.3</td>
<td>88</td>
</tr>
<tr>
<td>F Single people living in the older flats and houses of town centres</td>
<td>245</td>
<td>3.5</td>
<td>8,759</td>
<td>5.9</td>
<td>59</td>
</tr>
<tr>
<td>G Owner occupiers of ex-council housing living in stable communities</td>
<td>1,470</td>
<td>21.2</td>
<td>17,793</td>
<td>15.7</td>
<td>135</td>
</tr>
<tr>
<td>H Families with children living on limited means in low rent council housing</td>
<td>798</td>
<td>11.4</td>
<td>14,393</td>
<td>12.7</td>
<td>90</td>
</tr>
<tr>
<td>I Very low income households in council flats</td>
<td>61</td>
<td>0.9</td>
<td>1,470</td>
<td>1.3</td>
<td>88</td>
</tr>
<tr>
<td>J Decent residents in publicly rented accommodation</td>
<td>1,029</td>
<td>14.8</td>
<td>7,520</td>
<td>6.0</td>
<td>223</td>
</tr>
<tr>
<td>Total</td>
<td>6,971</td>
<td>100.</td>
<td>113,674</td>
<td>100.</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 3.4 shows that while 1,981 Blue Badge holders are classified as Group D, they only provide 28.4% of the cases (compared to 35.3% of the base population) and therefore Group D is considered...
to be under-represented amongst blue badge holders in the Scottish Borders. It is more significant that Group J and Group G have index values of 223 and 135 respectively. These values mean that these Groups are more significant when considering what actions should be taken as these groups are disproportionately likely to be blue badge holders.

The extract from the Mosaic Scotland visualisation in Appendix 1 shows that Group J comprises the older but less affluent pensioner households who are most likely to require this service. The Communications framework in section 2.3 shows that Group J is less likely to use online services and have a preference for face-to-face transactions. Group D and Group G are neutral or weak in their use of the internet; overall Blue Badge users are less likely to take up an online service yet the service generates almost 7,000 transactions and even 50% online shift would represent a significant saving. Overall process costs would also have to be considered in the light of changes in 2012 that require a more detailed and comprehensive application and verification process.

### 3.4.2 Free School Meals provision by Mosaic Scotland

Figure 3.5 shows the more targeted nature of this provision. 10.1% of all cases come from Group I who only make up 2.2% of the Council’s population. Taken together, Groups G, H and I include many households with children, who are also more likely to have lower incomes or be partially or totally reliant on benefits: hence these 3 Groups include 59.7% of Free School Meal provision but only 35.3% of the population. The Communications Framework shows that these Groups have a weak propensity to use telephone or online channels – preferring face-to-face channels. The Service framework also highlights other services (council tax benefits) they are likely to use, and therefore could be offered alongside the processing of free school meal transactions to improve customer service and reduce unnecessary visits. The relatively low volume of transactions (under 1000) and the lower likely take-up rate suggests this service is a less attractive cost saving if deployed online for Scottish Borders Council.
3.4.3 Planning Applications by Mosaic Scotland

Figure 3.6: Mosaic Profile of Planning Applications in Scottish Borders

As making planning applications is only usually done by homeowners then Figure 3.6 shows clearly that Groups A to D are the homeowners. Groups A and D are the most likely Mosaic Groups to make applications. Group A are considered to be the most affluent home owners in Scotland—they are also most likely to be outright owners rather than mortgage holders. Group B are the next most affluent Mosaic Group in terms of income but are more likely to have existing mortgages and other financial pressures. These Groups are both strong internet users who are very likely to have the means and motivation to use an online planning service. A weighted average\(^2\) of likelihood to shift online of 61% for this service makes this a good candidate for promotion online.

3.4.4 Council Tax Single Person Discount by Mosaic Scotland

Figure 3.7: Mosaic Profile of Single Person Council Tax Discount in Scottish Borders

The specific qualifying rules for Single Person Discounts to be applied to Council Tax payments drives this profile as shown in Figure 3.7. Group J contains a high proportion of single pensioner households, reflected in the volume of cases (3,380) and the Index of 193. Groups H and I have a lower age profile, but there are a higher than average proportion of single parent families who will also qualify for this benefit. Group F has higher numbers of young people who are starting out in their careers and living alone in flats and similar properties. This Group are more receptive to marketing campaigns deployed using SMS or telephone in contrast to Groups H or I who may be more reachable using local newspapers. Overall the weighted average calculated from the mix of Mosaic Groups and their relative likelihood to use online services

\(^2\) Weighted average calculated from proportions of each Mosaic Group who use this service in Scottish Borders and their relative likelihood to use online services
likelihood to shift online is 55% and a supporting campaign using newspapers and SMS would reinforce the change and ensure maximum take-up.

3.4.5 Council Tax Benefit payments by Mosaic Scotland

The specific nature of the qualifying rules for Council Tax Benefit creates the very heavily skewed profile shown in Figure 3.8. 54.9% of cases fall into Groups H, I and J with the majority of other cases coming from Group D. This latter situation is a reflection of the number of people in Group D in the Borders as previously discussed. Groups H, I, and J are the most deprived Groups as described by Mosaic Scotland and these households will also fall into the most deprived neighbourhoods as calculated using the Scottish Index of Multiple Deprivation. The weighted average shift for this service is 52% which is lower than the Single Person Discounts shown in the previous section. The similarity of audience for these benefit services suggests a joint campaign using similar communications.

3.4.6 Council Tax Discount – Second Home by Mosaic Scotland

The profile shown in Figure 3.9 is based on the actual property to which discount is applied rather than the address of the owner of the property. This means that this profile is more a description of the type of properties bought as second homes – country cottages (Group D) or smaller flats and cottages in towns and villages (Group F) than the people making the applications. Hence it is difficult to draw a conclusion on appropriate channels or messages for this service.
3.4.7 Other Council Tax Discounts by Mosaic Scotland

Figure 3.10 Profile of other Council Tax Discounts in Scottish Borders

<table>
<thead>
<tr>
<th>Mosaic Scotland Group</th>
<th>Target</th>
<th>Base</th>
<th>%</th>
<th>% Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Successful people living in the most suburban locations</td>
<td>61</td>
<td>2.6</td>
<td>2,520</td>
<td>4.4</td>
</tr>
<tr>
<td>B Busy families who are moving up in their careers and lifestyles</td>
<td>63</td>
<td>2.6</td>
<td>3,224</td>
<td>6.7</td>
</tr>
<tr>
<td>C Middle wealth households with a local outlook</td>
<td>212</td>
<td>5.6</td>
<td>7,148</td>
<td>12.0</td>
</tr>
<tr>
<td>D Rural communities and isolated farmers</td>
<td>960</td>
<td>40.6</td>
<td>17,793</td>
<td>31.3</td>
</tr>
<tr>
<td>E Young, well educated singles in city apartments</td>
<td>9</td>
<td>0.4</td>
<td>102</td>
<td>0.2</td>
</tr>
<tr>
<td>F Single people living in the older flats and houses of town centres</td>
<td>275</td>
<td>11.5</td>
<td>3,566</td>
<td>6.3</td>
</tr>
<tr>
<td>G Owner occupiers of ex-council housing living in stable communities</td>
<td>160</td>
<td>6.7</td>
<td>8,222</td>
<td>14.5</td>
</tr>
<tr>
<td>H Families with children living in small means in low rise council housing</td>
<td>257</td>
<td>12.0</td>
<td>8,013</td>
<td>14.1</td>
</tr>
<tr>
<td>J Very low income households in council flats</td>
<td>26</td>
<td>1.1</td>
<td>1,046</td>
<td>1.8</td>
</tr>
<tr>
<td>K Elderly residents in publicly rented accommodation</td>
<td>325</td>
<td>13.0</td>
<td>5,130</td>
<td>9.0</td>
</tr>
</tbody>
</table>

Total | 2,387 | 100.0  | 56,785 | 100.0 | 100 |

Figure 3.10 shows that the other discounts applied by Scottish Borders Council to Council Tax payments appear to be mostly applicable for single people as these are more prevalent in groups F and J. Given that these payments are spread across a mix of Mosaic Groups some further analysis is required to focus on the target groups for each of the specific discounts – where the sample size relating to a discount allows this.

3.4.8 Library Members – All by Mosaic Scotland

Figure 3.10: Profile of Library Members in Scottish Borders

<table>
<thead>
<tr>
<th>Mosaic Scotland Group</th>
<th>Target</th>
<th>Base</th>
<th>%</th>
<th>% Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Successful people living in the most suburban locations</td>
<td>1,315</td>
<td>5.7</td>
<td>3,177</td>
<td>3.3</td>
</tr>
<tr>
<td>B Busy families who are moving up in their careers and lifestyles</td>
<td>1,570</td>
<td>6.8</td>
<td>6,313</td>
<td>5.6</td>
</tr>
<tr>
<td>C Middle wealth households with a local outlook</td>
<td>3,022</td>
<td>14.4</td>
<td>15,161</td>
<td>13.3</td>
</tr>
<tr>
<td>D Rural communities and isolated farmers</td>
<td>5,788</td>
<td>29.5</td>
<td>40,096</td>
<td>36.3</td>
</tr>
<tr>
<td>E Young, well educated singles in city apartments</td>
<td>153</td>
<td>0.7</td>
<td>450</td>
<td>0.4</td>
</tr>
<tr>
<td>F Single people living in the older flats and houses of town centres</td>
<td>1,789</td>
<td>7.6</td>
<td>6,759</td>
<td>5.9</td>
</tr>
<tr>
<td>G Owner occupiers of ex-council housing living in stable communities</td>
<td>2,622</td>
<td>12.2</td>
<td>17,793</td>
<td>15.7</td>
</tr>
<tr>
<td>H Families with children living in small means in low rise council housing</td>
<td>3,161</td>
<td>13.7</td>
<td>14,393</td>
<td>12.7</td>
</tr>
<tr>
<td>J Very low income households in council flats</td>
<td>525</td>
<td>2.3</td>
<td>1,470</td>
<td>1.3</td>
</tr>
<tr>
<td>K Elderly residents in publicly rented accommodation</td>
<td>1,953</td>
<td>0.9</td>
<td>7,520</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Total | 23,840 | 100.0  | 113,574 | 100.0 | 100 |

The overall membership profile for library members highlights a number of potential factors in the take-up of this service. One potential factor is the presence of children in the household and this is reflected in the higher index for Groups A and B – as well as Group I. There is also a possible access issue as well, as children are also present in Group D but are more likely to be located further away from libraries. Further analysis will need to be carried out to understand the various issues and decide suitable actions. The first stage would be to understand the audience for each sub-service offered within the libraries. Section 3.4.9 shows that PC users form a specific subgroup within the library membership. That insight can then inform understanding the potential online shift based on the characteristics of the specific audiences for each sub-service.
3.4.9 Members using Library PCs by Mosaic Scotland

Figure 3.12: Profile of Library PC users in Scottish Borders

This subset of the overall library membership reflects very strongly the family nature of this group but also the more typically supportive nature of parents in Groups A, B and C. These Groups are most likely to be internet users, and are very likely to take up and use online services. Experience from other projects completed by Experian and detailed in section 6 supports this point.

One potential action would be to promote libraries as a place to access online services, focusing on the current non-users especially in Groups G, H and I who are less likely to currently use the internet as shown in the Communications Framework shown in section 2.3.

3.4.10 Waste & Recycling Enquiries by Mosaic Scotland

This service is the only one where there is already data available on different channels and users. Therefore it has been examined in more depth as shown below to illustrate the impact that channel availability will have in terms of users accessing services across different channels (see 3.4.11 and 3.4.12)

Figure 3.13 Profile of Waste & Recycling enquiries in Scottish Borders

Figure 3.13 shows that with the exception of Group I who makes almost twice as many enquiries as expected (Index of 195) the remaining profile is relatively even but with a small bias to the less affluent Groups F and H.
3.4.11 Waste & Recycling Enquiries (Face-to-Face) by Mosaic Scotland

Figure 3.14: Profile of Waste & Recycling Enquiries (Face-to-Face) in Scottish Borders

<table>
<thead>
<tr>
<th>Mosaic Scotland Group</th>
<th>Target</th>
<th>%</th>
<th>Base</th>
<th>%</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Successful people living in the choicest suburban locations</td>
<td>61</td>
<td>1.5</td>
<td>300</td>
<td>3.2</td>
<td>61</td>
</tr>
<tr>
<td>B Busy families who are moving up in their careers and lifestyle</td>
<td>114</td>
<td>3.1</td>
<td>424</td>
<td>4.6</td>
<td>90</td>
</tr>
<tr>
<td>C Middle wealth households with a local outlook</td>
<td>360</td>
<td>8.3</td>
<td>1,035</td>
<td>11.0</td>
<td>76</td>
</tr>
<tr>
<td>D Rural communities and isolated farmers</td>
<td>767</td>
<td>20.7</td>
<td>2,625</td>
<td>27.7</td>
<td>75</td>
</tr>
<tr>
<td>E Young, well educated singles in city apartments</td>
<td>35</td>
<td>0.9</td>
<td>71</td>
<td>0.7</td>
<td>128</td>
</tr>
<tr>
<td>F Single people living in the older flats and houses of town centre</td>
<td>388</td>
<td>9.9</td>
<td>755</td>
<td>8.0</td>
<td>123</td>
</tr>
<tr>
<td>G Owner occupiers of ex-council housing living in town communities</td>
<td>442</td>
<td>11.9</td>
<td>1,163</td>
<td>12.3</td>
<td>97</td>
</tr>
<tr>
<td>H Families with children living in limited means in low rise council housing</td>
<td>888</td>
<td>23.9</td>
<td>1,787</td>
<td>18.6</td>
<td>128</td>
</tr>
<tr>
<td>I Very low income households in council flats</td>
<td>214</td>
<td>5.6</td>
<td>341</td>
<td>3.6</td>
<td>160</td>
</tr>
<tr>
<td>J Elderly residents in publicly rented accommodation</td>
<td>512</td>
<td>12.8</td>
<td>952</td>
<td>10.4</td>
<td>133</td>
</tr>
</tbody>
</table>

When looking at the Groups who are most likely to make face-to-face enquiries about waste and recycling and comparing that number to all the enquiries data, there is a much stronger profile as reflected in the Index values shown in Figure 3.14. When looking at this specific means of communication, it is the less affluent Mosaic Groups F, H, I and J that are using the service in this way. In contrast Groups A to D tend not to make enquiries face-to-face. This reinforces the message from the Communications Framework where Groups H, I and J favour face-to-face services; while Groups A to D prefer not to use walk-in locations to access services.

3.4.12 Waste & Recycling Enquiries using Telephone by Mosaic Scotland

Figure 3.15: Profile of Waste & Recycling Enquiries by telephone in Scottish Borders

<table>
<thead>
<tr>
<th>Mosaic Scotland Group</th>
<th>Target</th>
<th>%</th>
<th>Base</th>
<th>%</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Successful people living in the choicest suburban locations</td>
<td>235</td>
<td>4.1</td>
<td>308</td>
<td>3.2</td>
<td>127</td>
</tr>
<tr>
<td>B Busy families who are moving up in their careers and lifestyle</td>
<td>308</td>
<td>5.4</td>
<td>424</td>
<td>4.5</td>
<td>120</td>
</tr>
<tr>
<td>C Middle wealth households with a local outlook</td>
<td>725</td>
<td>12.7</td>
<td>1,035</td>
<td>11.0</td>
<td>116</td>
</tr>
<tr>
<td>D Rural communities and isolated farmers</td>
<td>1,647</td>
<td>32.2</td>
<td>2,625</td>
<td>27.7</td>
<td>118</td>
</tr>
<tr>
<td>E Young, well educated singles in city apartments</td>
<td>36</td>
<td>0.6</td>
<td>71</td>
<td>0.7</td>
<td>84</td>
</tr>
<tr>
<td>F Single people living in the older flats and houses of town centre</td>
<td>301</td>
<td>6.6</td>
<td>755</td>
<td>8.0</td>
<td>85</td>
</tr>
<tr>
<td>G Owner occupiers of ex-council housing living in town communities</td>
<td>711</td>
<td>12.4</td>
<td>1,163</td>
<td>12.3</td>
<td>101</td>
</tr>
<tr>
<td>H Families with children living in limited means in low rise council housing</td>
<td>878</td>
<td>16.3</td>
<td>1,787</td>
<td>18.6</td>
<td>82</td>
</tr>
<tr>
<td>I Very low income households in council flats</td>
<td>127</td>
<td>2.3</td>
<td>341</td>
<td>3.6</td>
<td>62</td>
</tr>
<tr>
<td>J Elderly residents in publicly rented accommodation</td>
<td>470</td>
<td>8.2</td>
<td>952</td>
<td>10.4</td>
<td>79</td>
</tr>
</tbody>
</table>

Figure 3.15 effectively shows the opposite picture to that for Waste & Recycling enquiries made face-to-face. As shown in the Communications Framework, it is Groups A to D who prefer to make use of the telephone to request this service.

Section 3.5 of this report develops this set of service data and demonstrates a method for calculating potential savings using the understanding of service usage by Mosaic to inform the proportion of users who are likely or unlikely to use an online service.

3.5 Service Delivery Framework

As shown in section 3.4, Mosaic Scotland profiles of each set of service users are valuable as a way to understand the customers of each service and to draw actionable conclusions about how to change and improve that service. Mosaic Scotland also provides a way to look across the range of council
services from the citizen’s perspective. This is done using a Service Delivery Framework that brings together all the data used so far into a single output. The Service Delivery Framework for Scottish Borders Council is shown in Figure 3.15. It is based on the data provided for this project, and is not fully reflective of all the Council’s services.

![Figure 3.16: Service Delivery Framework](image)

The values shown in the table are the Index values taken from the individual Mosaic Scotland profiles in the previous section of the report. The colour banding is similar to that on the Communications framework where Red indicates under usage of a service by that Group compared to the usage across the whole of Scottish Borders; while Green indicates higher than expected service usage by that group.

The Service Delivery Framework highlights groups of services that are used by similar groups of customers. Equally it can show the contrasts between different user groups. Group A are significant users of the library and apply for planning applications but not Council Tax discounts of any sort; in contrast to Group J who are recipients of council benefits, less likely to use the library but do apply for blue badges in a similar way to Group A.

This type of information is valuable to be able to draw conclusions about the services to communicate to each group of citizens. If the Council has the opportunity to put a message in front of a particular citizen group then what combination of services would be most effective and efficient to discuss? One example could be to take opportunities to highlight the complete set of available benefits including free school meals and council tax discounts to Mosaic Group I.

### 3.6 Potential for Scottish Borders Council to shift to lower cost channels

The calculation of the potential savings available to Scottish Borders Council has been made using all the insight that has been generated so far to understand the likelihood of the different groups to move online and their likelihood to be users of the different services.
3.6.1 Waste and Recycling Service at Scottish Borders

Given the constraints outlined, a worked example of the process of assessing potential savings has been developed for 3 services:

- Waste and Recycling
- Pest Control
- Bulky Uplifts

Looking specifically at Waste & Recycling, Scottish Borders Council has indicated that the service has already undergone substantial change and development. The service was previously characterised as follows:

- 28 minutes to book a bulky uplift on average
- No telephone payments for customers
- Cheques were only acceptable payment method
- No knowledge of schedule
- Fax/Mail used to finalise collection list for depot
- No feedback mechanism for customers

After significant re-development work the service can now be described:

- Process fully re-engineered
- End to end in Lagan
- Offered over face-to-face and telephone
- Self-service in development
- 54% telephone, 46% face-to-face
- Transaction time now around 7 minutes on average - 4 times as efficient.

A set of final objectives have been identified by Scottish Borders Council:

- Aim to move customers to self-service wherever possible
- For these transactions, further 7 minutes of adviser time saved (on average)
- Need customer insight to be able to do this effectively

3.6.2 Using Insight to identify potential savings for three Scottish Borders Council services

The process of calculation is as follows:

- The percentage of customers likely to move online has been calculated from the combination of the Service user profile and the likelihood of the different groups to use telephone or online channels. This takes into account the underlying mix of Mosaic Scotland Groups across the service user base.
Using Customer Insight to drive Channel Shift

- These “likelihood to switch channel” percentages have been applied to the service usage volumes supplied by the Council to derive the number of people who are likely to switch channel for the services
- The number of people who are likely to switch channel is applied to a standard set of costs for transaction processing via different channels (SOCITM values – see below)
- Potential savings have been calculated based on the proportion of overall transactions that will be processed using new and existing channels

The costs used to calculate the results are taken from the *Channel value benchmarking service*.

### Figure 3.17: Standard transactional costs

<table>
<thead>
<tr>
<th>Channel</th>
<th>Average cost per transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face-to-face</td>
<td>£8.23</td>
</tr>
<tr>
<td>Telephone</td>
<td>£3.21</td>
</tr>
<tr>
<td>Web</td>
<td>39p</td>
</tr>
</tbody>
</table>

*Source: Socitm *Insight* (December 2009)*

For the purpose of this report two scenarios have been calculated:

**Scenario 1:** The online service is made available and the full percentage of users who are expected to use the online channel do so. All existing channels are also still available.

**Scenario 2:** The online service is made available and the percentage of users who are expected to use the service do so. The face–to-face option is removed and all remaining users now use the telephone service.

Neither scenario is completely realistic as in reality there will be some users who do not switch channels as predicted. Equally, in scenario 2 some customers may switch to the online service rather than use the telephone option as assumed in the model. Clearly that has the benefit of additional cost savings for the council.

The results at service level are shown in Figures 3.16 and 3.17. The broad range of illustrative savings as shown by scenarios 1 and 2 is between £63,658 and £83,393 for these 3 services. These savings are ongoing year on year and therefore an estimate of the savings over 3 years based on these illustrative figures would be between £192,000 and £249,000. Clearly, by carrying out a similar exercise across other services delivered by the council offers the potential for significant savings.

### Figure 3.16: Scenario 1 – Illustrative saving potential of making an online option available

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Annual Volume F2F</th>
<th>Annual Volume Telephone</th>
<th>Cost Now F2F</th>
<th>Cost Now Tel</th>
<th>Total Cost Now</th>
<th>% Shift F2F online</th>
<th>% Shift Tel online</th>
<th>Cost Shift F2F online</th>
<th>Cost Shift Tel online</th>
<th>Potential Saving</th>
<th>Cost Left F2F</th>
<th>Cost Left Tel</th>
<th>Potential Saving Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste and Recycling</td>
<td>6,754</td>
<td>12,906</td>
<td>£ 55,032</td>
<td>£ 41,695</td>
<td>£ 96,727</td>
<td>55%</td>
<td>57%</td>
<td>£ 7,462</td>
<td>£ 4,366</td>
<td>£ 19,928</td>
<td>62%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post Control</td>
<td>195</td>
<td>1,023</td>
<td>£ 1,015</td>
<td>£ 3,254</td>
<td>£ 4,269</td>
<td>55%</td>
<td>57%</td>
<td>£ 108</td>
<td>£ 70</td>
<td>£ 1,582</td>
<td>61%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulky Uplifts</td>
<td>1,751</td>
<td>2,054</td>
<td>£ 14,411</td>
<td>£ 6,593</td>
<td>£ 21,004</td>
<td>55%</td>
<td>57%</td>
<td>£ 110</td>
<td>£ 86</td>
<td>£ 2,966</td>
<td>62%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Using Customer Insight to drive Channel Shift

3.6.3 Extrapolating potential savings for Scotland

The potential savings for Scottish Border Council identified for the Waste and Recycling, Pest Control and Bulky Uplifts services highlighted in section 3.6.2 can be extrapolated for Scotland using a very approximate calculation relating the number of households in Scottish Borders (52,257) compared to the total households in Scotland (2,373,613). Applying this simple pro-rata to the evidence from Scottish Borders suggest a potential saving over 3 years of £11.3 million for these services in Scotland.
from a similar degree of channel shift. There are a number of assumptions inherent in this calculation that should be emphasised, namely:

- That each council has the same demographic profiles as Scottish Borders
- Each council has the same percentage of population using online services
- Each council has the same potential for on-line services
- Current costs and processes are similar for all councils

Thus the total savings for Scotland could be higher or lower than this simple calculation assumes. However, as this research has only looked at the potential savings from three services, clearly there is much potential upside at the national level were this channel shift approach to be widened out to a broader range of council services.

Of course the point of using customer insight as outlined in this report is that it allows each council to take account of the specific demography of their own area, to address the issues of current and potential online usage and take-up and to create a focused and quantifiable statement of benefits of channel shift for their own council.
4 Insight driven PR campaigns: Scottish Borders examples

The calculation of savings and the prioritisation of services for changing to an online delivery model is a valuable exercise. However, the full value will only be realised by implementing a communications strategy to inform the key user groups that new channels of service delivery are being provided. Two illustrative examples of how these campaigns can be targeted more effectively are shown here. The selection of the case studies has been made primarily to show how different audiences could be approached rather than the highest potential savings for Scottish Borders Council.

4.1 Case study: Waste & Recycling Enquiries (Face-to-Face)

The first step in designing a campaign is to review the target audience and the Mosaic Scotland profile already shown is the most suitable way to achieve this. Figure 4.1 shows the profile for the selected service.

![Figure 4.1 Waste & Recycling Profile Scottish Borders](image)

As Group H Familys with children living on limited means in low rise council housing make almost 24% but represent only 14% of the Scottish Borders households, this group will be considered the target audience for this case study.

The Mosaic Scotland multimedia guide (see Appendix 1) has been used to find the following summary points about this group:

- They are typically dependant on public transport
- These households are more likely to have some debt problems than the average
- Low incomes are more usual
- Semi-skilled trades are the most likely employment but high unemployment is also an issue
- Low rise council homes or social housing are the pre-dominant ownership type
- Families with children are the predominant household composition
- Single parent families are also more common than average
- Mass market brands are the most likely to appeal to these consumers

Looking at the map of Mosaic Scotland distribution in Figure 3.2 there appears to be a particular concentration of this group within Hawick – and within relatively small areas of the town. In terms of
communication they appear to be more receptive to telephone communications – especially mobile phones as shown in Figure 4.2.

**Figure 4.2: Likelihood to use mobile phones by Mosaic Scotland Group**

The red bar on the chart shows that Group H are significant users of mobile phones – though not as great as Groups I and E. This is the most significant channel for this group and therefore an SMS campaign targeted at this group may be the most successful in reaching them with suitable messages about the new channel to highlight the ease of use; and simpler and remote access removing the need for travel to reach an office.

The actual content of the SMS should focus on ease of access compared to a face-to-face visit as this audience are more dependent on public transport. The SMS should have the necessary links or web addresses to reinforce the “ease” message. The deployment should be reinforced with follow-up messages to non-responders and further messages highlighting other relevant services. The specific services to be highlighted can be drawn from the Service Framework.

The effectiveness of the campaign can be measured by tracking the web visits or call centre contacts and in both cases capturing at least the postcode of the customer. This postcode can be matched to the Mosaic Scotland data and the profile of the results checked to ensure that the target group are using the new channels in greater absolute numbers or proportions of the total number of contacts.

### 4.2 Case study: Planning Applications

This service is already in the process of being made into a fully online service for Scottish Borders; however there is still a paper-based process for some applications and there will need to be an information campaign to ensure that potential users are aware of the online system. For the purpose of this example both Group C and Group D will be considered to be the target audience as Figure 4.3
Using Customer Insight to drive Channel Shift

shows that these groups are both considerable users of the planning process and key groups for Scottish Borders in terms of the overall percentage within the council’s area.

Figure 4.3

By reviewing the content of the Mosaic Scotland multimedia guide the following points describe these two groups, who are similar in several ways, particularly age profile and household composition.

<table>
<thead>
<tr>
<th>Group C: Middle wealth households with a local outlook</th>
<th>Group D: Rural communities and isolated farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle-aged and married couples are the predominant households</td>
<td>Older working couples</td>
</tr>
<tr>
<td>Older children or empty nesters</td>
<td>Children at college</td>
</tr>
<tr>
<td>Mature suburbs</td>
<td>Retired couples are also more likely in this group</td>
</tr>
<tr>
<td>Small towns are typical locations</td>
<td>Farming, forestry are most likely employment prospects</td>
</tr>
<tr>
<td>Middle incomes</td>
<td>Fishing, some tourism</td>
</tr>
<tr>
<td>Hard working approach to employment</td>
<td>Rural communities are one of the defining characteristics</td>
</tr>
<tr>
<td>Skilled professionals</td>
<td>Cars important with multi car household very likely due to rural isolation from services</td>
</tr>
<tr>
<td>Traditional values and outlook</td>
<td>Work long hours when employed; often with several local jobs supporting neighbours</td>
</tr>
</tbody>
</table>

Both groups are less commercially minded and less responsive to typical commercial channels than the majority of the population. They are less receptive to messages through new media and a campaign based around using local newspapers, or sign-posting appropriate services when they contact the council with enquiries via the telephone or website, are more likely to be effective.

As there is a “traditional” thread to these groups' behaviour, one potential message could be around “continuing to do what you do” rather than a replacing the existing service with something new. The emphasis should be on continued service delivery rather than “here is the new”.

In the same way as the previous example, the effectiveness of the campaign can be measured by tracking the web visits or call centre contacts and in all cases capturing at least the postcode of the customer. This postcode can be matched to the Mosaic Scotland data and the profile of the results checked to ensure that the target group are using the new channels in greater absolute numbers or proportions of the total number of contacts. Depending on the underlying systems, some of this process could be automated and form part of standard management information reporting.
5 Identifying critical success factors and overcoming challenges

5.1 Critical Success Factors

There are two stages to the deployment of customer insight in any channel shift project. The following steps outline the broad approach to each stage to ensuring a successful outcome.

Using insight to understand channel shift potential

- Profile existing customers
- Link these to your customer data to create service delivery/communication frameworks
- Identify key success factors using a wide range of data e.g. technology
- Prioritise opportunities for channel shift for current off-line services
- Calculate return on investment using shift range driven by insight
- Optimise take-up of current on-line services

Using insight to design a campaign

- Identify key target groups for service
- Identify the most cost-effective and responsive communications channels
- Develop insight-driven appropriate messaging
- Define targets for communications e.g. web-views by type, % increase in on-line transactions
- Create and execute campaign
- Measure success against target groups/objectives

5.2 Overcoming challenges

A workshop was held with a number of Scottish local authorities which identified a number of challenges in starting to use customer insight to design a channel shift strategy:

- A need to build a business case for investment in channel shift – The analysis in this report has shown that it is possible to use insight to quickly quantify the potential for shift and therefore the likely return, in terms of cost savings, on any investment
- Authentication – Secure online services require tools that enable these services. The additional costs of these need to be worked into any cost-benefit realisation models
- Resources – These are finite and getting tighter in most councils so finding the resource to understand and apply insight is a challenge. However, there are a number of councils who have found that a programme of training the trainer helps spread the knowledge about insight and makes its roll-out more manageable/sustainable across a council
• Service structures – These may act against the use of insight to change services. However, this is a tool that can be used to both look at issues of service need and design at a corporate level as well as inform delivery at a channel level. It forces users to come to a common view about who the customer is and what they are likely to want

• Knowledge of concept – Participants identified the need to understand and explain the importance of insight to colleagues. There is help available from the Improvement Service or Experian to do this whether through presentations or through case studies which bring the concept to life

• Identifying quick wins – To demonstrate the value of insight in practice a first step would be to review all current activity across all channels and use insight to target an increase in take-up of these services. There are many examples of online services being delivered by councils where some of the target customer groups are unaware of the service or their entitlement to it. Using the communications framework would address this and has the potential to deliver early returns to using customer insight

• Targeted approach – Moving towards a targeted approach may be a challenge where local authorities have traditionally been expected to provide a universal service. However, customer expectations of delivery of services online are rising. Insight enables the development of a multi-channel approach which takes account of the specific needs and preferences of a local authority to allow targeting which also meets customers’ expectations

• Differences between data sources - this needs to be addressed at a local level. Additional data about service preferences can be taken account of when refining the local service delivery and communications framework. However, it is also worth exploring whether the challenges are accessibility or preferences. For example, it is easier to overcome (as the Fylde case study shows) stated preferences not to engage with a council online where users do have access to the internet than it is simply to overcome a lack of access to the Internet or a PC at home

• Understanding channel costs – again, councils highlighted the need to understand their own cost models in more detail prior to quantifying the benefits of channel shift

• Inertia – Customer expectations of public services will continue to rise even as the resources available to deliver them diminish. Customer insight provides a means to target diminishing resources whilst managing customer expectations. It can also help quantify associated cost savings
6 Channel shift and insight evidence from around the UK

Whilst many organisations within the public sector have had websites for a number of years, it is only relatively recently that fully integrated channel shift strategies have been developed. This process has accelerated in England since the Cabinet Office published ‘Channel Strategy Modules in 2009’ and its subsequent updates. The Cabinet Office report gives guidance on the main considerations to be given to a channel strategy and relates this to a channel shift strategy. More simply: how to make sure integrated services are delivered through multiple channels that meet customer need. The Cabinet Office report also shows how people can be moved to the most appropriate channel for them.

This approach appears to be being followed by the majority of councils in England. The published evidence suggests there are some key emerging issues to be considered by any council about to embark upon this process. These are summarised here with some case study examples from councils. It is worth highlighting that an overall figure on the potential savings from a complete channel shift strategy is hard to find, however, there are many examples of applications as part of a channel shift strategy.

6.1 Integrated multi-channel strategies are crucial

The costs associated with different channels suggest that moving to online delivery appears to be an easy way to cut costs (Figure 6.1). However, not all service users are either willing or able to use cheaper channels. Access to and use of the web, and faster broadband speeds vary substantially across the UK and within Scotland. Furthermore, some services lend themselves more than others to delivery via the web or other non face-to-face options. Thus a key part of any strategy is to understand customer behaviour, preferences, and use of services and the feasibility of actually providing that service online.

<table>
<thead>
<tr>
<th>Channel</th>
<th>Average cost per transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face-to-face</td>
<td>£8.23</td>
</tr>
<tr>
<td>Telephone</td>
<td>£3.21</td>
</tr>
<tr>
<td>Web</td>
<td>39p</td>
</tr>
</tbody>
</table>

Source: Socitm Insight (December 2009)

The majority of services will need to be delivered through multiple channels, which can balance cost effective delivery with access to all for services. A recent report by SOCIITM ‘The online council – why and how’ outlines an approach which sees integrated service delivery being the start point, with the same service being accessed through multiple channels i.e. the screens seen by a face-to-face advisor being the same as those seen by a user on the website. This approach ensures that all data is collected centrally in the same format and all service users receive the same service. This type of


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system is now prevalent in the private sector. In many cases it is cheaper to build this type of system from scratch than bolt it on to existing systems.

Such a centralised approach also means a certain amount of future proofing is built into the system. An example of this would be mobile access. Ten years ago, mobile phone access would not have featured in many people’s thinking for integrated service delivery. However, the prevalence of smartphones means that there is now increasing consumer demand for access through this channel. Visits to council websites from smartphones have been rising gradually over time, as indicated by figures from Tameside Council (Figure 6.2).

**Figure 6.2 : Tameside Council iphone visits to the website**

![iPhone visits to the website](http://www.slideshare.net/socitm/14-dec-tim-rainey)

6.2 Understanding customer demand is crucial

Understanding customer demand is a crucial aspect of planning both channel strategy and channel shift strategy.

Service demand needs to be understood alongside the channels that it is currently delivered through. This allows a prioritisation of services to take place. This prioritisation can be further refined through understanding which aspects of services have, by their very nature, to be delivered face-to-face and which could be migrated to multiple channels. At this stage it is also useful to think about future demand scenarios.

This was the approach taken by Cambridgeshire County Council in analysing their website usage and prioritising the top queries and tasks undertaken. Figure 6.3 highlights their approach to prioritising web services and queries starting with a detailed understanding of usage.
Using Customer Insight to drive Channel Shift

The evidence suggests the second aspect of customer demand is to understand the socio-demographic mix of the customer accessing such services, using a tool such as Mosaic or OAC. These profiles allow an understanding of how customers prefer to be communicated with and/or how they like to transact with local authorities. The majority of case studies referenced in this report have taken this approach including Westminster (http://www.westminster.gov.uk/workspace/assets/publications/behaviour-change-and-channel-shift-1285241942.pdf), and Cambridge local authorities.

Figure 6.4 illustrates how Cambridgeshire County Council assessed the channel preference of their key customer groups across service areas, and then embedded that information into wider Customer Persona documents that describe each of their customer groups.
6.3 It is not just about the web

Much is made of moving customers online within a channel shift strategy, however, it is important to remember that this is not all that channel shift covers. Westminster for example has looked at library services, planning and council tax payments. Their analysis indicated that significant savings could be made in driving services from their contact centre to the web, but also by using self-service kiosks and automated call handling.

Some of these shifts have been more tactical. In South Oxfordshire District Council amongst others, using SMS messages to inform customers about changing ‘bin-collection’ days after bank holidays, considerably reduced the volume of telephone traffic into councils.
6.4 Any channel strategy needs to be constantly monitored and refined

Providing the channels for channel shift and undertaking a channel shift strategy are not the answer in themselves. People need to be persuaded to change channels and also constant review of channel solutions need to be made to check progress.

Some of these solutions come under the heading of ‘behavioural change’. The evidence suggests a variety of approaches being used to change behaviour such as: ‘positive’: rewarding people for undertaking the behaviour e.g. reduced bill for DD payment; ‘negative’ e.g. charging people extra for not paying by DD; or ‘neutral’. Figure 6.6 shows how Westminster Council is currently approaching this issue on its council tax demand forms.

**Figure 6.6: Westminster Council has focussed on driving direct debit payments**

![Page two of Council Tax demand](image)

Source: Westminster City Council (as before)

It is also imperative to undertake a constant review of the channel. As an example South Tyneside Council fundamentally changed channel usage through understanding customer behaviour and altering the website to suit (Figure 6.7)
Figure 6.7: Channel shift outcomes following targeted campaign in Tyneside

<table>
<thead>
<tr>
<th>Month</th>
<th>Telephone</th>
<th>Web</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar '08</td>
<td>3,500</td>
<td>1,000</td>
</tr>
<tr>
<td>Apr '08</td>
<td>3,000</td>
<td>1,500</td>
</tr>
<tr>
<td>May '08</td>
<td>2,500</td>
<td>2,000</td>
</tr>
<tr>
<td>Jun '08</td>
<td>2,000</td>
<td>2,500</td>
</tr>
<tr>
<td>Jul '08</td>
<td>1,500</td>
<td>3,000</td>
</tr>
<tr>
<td>Aug '08</td>
<td>1,000</td>
<td>3,500</td>
</tr>
<tr>
<td>Sep '08</td>
<td>500</td>
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</tr>
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<td>Nov '08</td>
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</tr>
<tr>
<td>Dec '08</td>
<td>2,000</td>
<td>5,500</td>
</tr>
</tbody>
</table>

Number of Waste & Recycling interactions recorded by South Tyneside Council on the Telephone and Web channels, showing a significant increase in web usage and a corresponding decline in telephone usage, coinciding with the publicity campaign in November 2008. Source: GovMetric

6.5 There are some common starting points in prioritising services for the web

A survey of website services uptake of local authorities indicates that the main uptake areas in 2010 and changes since 2009 were as detailed in Figure 6.8:

Figure 6.8: SOCITM review of change in services delivered online

<table>
<thead>
<tr>
<th>Top 10 service areas</th>
<th>2010</th>
<th>Change since 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Job vacancies</td>
<td>9.43%</td>
<td>No change</td>
</tr>
<tr>
<td>2. Rubbish collection</td>
<td>8.25%</td>
<td>+ 6 places</td>
</tr>
<tr>
<td>3. Schools/youth</td>
<td>8.21%</td>
<td>+ 1 place</td>
</tr>
<tr>
<td>4. Libraries</td>
<td>7.66%</td>
<td>- 1 place</td>
</tr>
<tr>
<td>5. Leisure facilities</td>
<td>6.44%</td>
<td>- 3 places</td>
</tr>
<tr>
<td>6. Planning</td>
<td>4.92%</td>
<td>- 1 place</td>
</tr>
<tr>
<td>7. Housing</td>
<td>4.29%</td>
<td>+ 2 places</td>
</tr>
<tr>
<td>8. Council tax</td>
<td>4.23%</td>
<td>+ 2 places</td>
</tr>
<tr>
<td>9. Family history</td>
<td>4.10%</td>
<td>- 2 places</td>
</tr>
<tr>
<td>10. Events information</td>
<td>3.65%</td>
<td>- 4 places</td>
</tr>
</tbody>
</table>

Source: Socitm Website takeup service

Source: http://www.socitm.net/download/914/how_councils_can_make_significant_savings_through_channel_shift_and_reduction_in_avoidable_contact-vicky_sargent
6.6 Experian case studies

A review of previous work carried out by Experian in the area of understanding client organisations’ capacity and potential to achieve channel shift has been completed for this project.

This review considers two examples where evidence for channel shift has been found and quantified; as well as providing working examples of the processes used to implement the projects and services where channel shift has been achieved.

6.6.1 Fylde Council

Increased web usage by a targeted socio-demographic group by 3% within 6 months

Fylde Council had been working on a number of initiatives to meet the increased demand for online service provision and to actively migrate customers from traditional and more expensive means of engaging with the council. The demand for online service was not being met by existing channels and limited resources meant that opportunities were being missed and customer expectation was not being met.

Pressure to deliver ‘more for less’ through more economical online service channels was also driving the need for e-service solutions.

A project was established to create customer led e-service solutions that are available when the customer wants them through access channels of their choice. The idea was to develop a framework that can be used to create an environment where services are easily accessible and self supportive in a single place, leading to reduced waste, increased efficiency and improved levels of customer satisfaction.

The project produced a model for establishing a service delivery environment based on new technologies incorporating social media and community forums that are shaped, developed and sustained by the customer. Mosaic group L (independent older people with relatively active lifestyles) was selected to establish proof of concept that the framework would deliver the following:

- More effective citizen engagement and empowerment
- Efficiency savings through channel migration
- A customer led ‘online community’ solution with all public services in one place
- A reduction in avoidable contacts (NI14) across all partner services

Mosaic group L has high levels of existing engagement in civic and public matters through existing channels. They are receptive and nurture a desire to obtain information about local matters while at the same time demonstrated a growing demand to provide online services. These characteristics supported the engagement requirements of the project and facilitated proof of concept within a 6 to 9 months time frame. Once proven the concept would be rolled out across all other Mosaic groups.

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4 As Fylde is in England, Mosaic UK was used for the project as it is more relevant and descriptive for Fylde Council.
Fylde’s Primary Care Trust (PCT) Health Profile demonstrates that Fylde has an aging population who will live longer than the national average. Targeting this Mosaic group also ensured that the project is future proofing services to cope with the predicted demographic trends identified by the PCT.

Figure 6.9: Website usage by Mosaic UK group

![Fylde Website Users V All UK Users](image)

Source: Fylde Council analysis

A combination of customer insight techniques were employed to understand the needs of Mosaic Group L, including accessing Experian’s Hitwise web traffic profiling solution (Figure 6.9), running focus groups, surveys, gathering internal metrics, and speaking with partners.

Since applying Experian’s customer insight, use of the Fylde Borough Council site has increased markedly, with nearly 800 more unique hits from Mosaic group L each month than before the project started. The site now gets three times as many people from Mosaic group L than use the website overall.

The personalised homepage functionality has also increased the time that users spend on the site, and presenting content to users on a customised homepage reduces the exit rate by over half. The increase in site traffic also indicates that these improved online channels are meeting the needs of the Council’s customers, as well as increasing satisfaction levels.

### 6.6.2 Bolton Council in partnership with Communities and Local Government

Launched in November 2008, Experian was engaged by Communities and Local Government to develop and execute an email data and campaign strategy that would enable a targeted approach to acquisition through the email channel. As an integral part of the ‘Connect to your Council’ marketing and communications campaign for Greater Manchester the email campaign not only successfully demonstrated the potential in the channel to influence citizen behaviour on channel use but also provided the concrete data necessary to build a business case to support investment in advanced online services.
Around 1 in 7 telephone calls to local authorities concern waste and recycling collections. An inbound telephone call costs Tameside Council in Manchester around £1.28 to administer compared to 6p for the same service online. However, the same services account for only 1 in 50 website visits.

Reducing the “cost to service” for such non-complex interactions as recycling enquiries was the key objective of the campaign. Experian engaged centrally with CLG to develop and execute an email data and campaign strategy to enable a targeted approach to acquisition through the email channel for Greater Manchester. In parallel, Experian worked with Bolton Council to develop and execute an email campaign to their online registrants. Experian provided a total of 188,187 opted in email addresses which were selected according to the following criteria:

- Postal code segmentation within the Greater Manchester area,
- Experian ‘GreenAware’ prioritised consumers who not only think green, but are most likely to act green in their behaviours and attitudes,
- Experian TrueTouch classification to rank, identify and target individuals who are likely to be more responsive to email.

The email campaign consisted of three broadcasts:

- Broadcast 1 to “Cold Contacts” was planned and sent at the same time as a radio and online banner advertising to gain the maximum exposure
- Broadcast 2 was sent soon after to Bolton constituents —approximately 10 days after the 1st broadcast
- Broadcast 3 was to “cold contacts” who did not open the first email or whose emails ‘soft bounced’ (e.g. were returned due to an overfull inbox)

Results showed that the last broadcast continued to gain momentum 11 days after dispatch finally achieving a 65.8% open rate and a 17.9% click-through rate.

With open rates in Bolton for emails to residents on recycling reaching 66% for a broadcast cost of less than £1k, this is truly targeted communication with enormous potential to influence citizen behaviour on channel use.
Appendix 1
Mosaic Scotland visualisation summary
Using Customer Insight to drive Channel Shift

Mosaic Scotland typology and summary descriptions

<table>
<thead>
<tr>
<th>Group Code</th>
<th>Group</th>
<th>Summary</th>
<th>Type Code</th>
<th>Type</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Upper Echelons</td>
<td>Successful people living in the choicest suburban locations</td>
<td>01</td>
<td>Captains of Industry</td>
<td>Big houses in the most desirable neighbourhoods</td>
</tr>
<tr>
<td>B</td>
<td>Families on the move</td>
<td>Busy families who are moving up in their careers and lifestyles</td>
<td>02</td>
<td>Wealth of Experience</td>
<td>Top areas housing older couples of high net worth</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td>03</td>
<td>New influencers</td>
<td>High value urban streets with younger professionals</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td>04</td>
<td>Successful Managers</td>
<td>1960s/1970s 4+ bed housing, corporate family men</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td>05</td>
<td>White collar owners</td>
<td>Newer semi, middle incomes with school age children</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td>06</td>
<td>Emerging high status</td>
<td>4/5 bedroom modern housing for high income families</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td>07</td>
<td>New suburbanites</td>
<td>New estates on city fringes attracting young families</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td>08</td>
<td>Setting In</td>
<td>Neighbourhoods of new build housing</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td>09</td>
<td>Military Might</td>
<td>Housing for the families of servicemen and women</td>
</tr>
<tr>
<td>C</td>
<td>Small Town Propriety</td>
<td>Middle wealth households with a local outlook</td>
<td>10</td>
<td>Songs of Praise</td>
<td>Detached houses with grounds in smaller towns</td>
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<tr>
<td>C</td>
<td></td>
<td></td>
<td>11</td>
<td>Ageing in Suburbia</td>
<td>Owner occupied suburbs with older age groups</td>
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<td>C</td>
<td></td>
<td></td>
<td>12</td>
<td>Blue collar owners</td>
<td>Middle income owner occupiers in factory towns</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td>13</td>
<td>Towns in Miniature</td>
<td>Rural service centres and inner cores of fishing ports</td>
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<tr>
<td>C</td>
<td></td>
<td></td>
<td>14</td>
<td>Rural Playgrounds</td>
<td>Lowland villages attractive to wealthy commuters</td>
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<tr>
<td>C</td>
<td></td>
<td></td>
<td>15</td>
<td>Agrarian Heartlands</td>
<td>Areas reliant on arable, dairy or beef farming</td>
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<tr>
<td>C</td>
<td></td>
<td></td>
<td>16</td>
<td>Isolated Farmsteads</td>
<td>Remote upland areas of small hill farms</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td>17</td>
<td>Scenic Wonderland</td>
<td>Highlanders reliant on tourism and other non-farm jobs</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td>18</td>
<td>Far Away Islanders</td>
<td>Remote Hebridean crofts and Shetland homesteads</td>
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<tr>
<td>C</td>
<td></td>
<td></td>
<td>19</td>
<td>Prestige tenements</td>
<td>Young single professionals and wealthy families</td>
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<tr>
<td>C</td>
<td></td>
<td></td>
<td>20</td>
<td>Studio singles</td>
<td>Stone 4/5 storey Victorian walk-ups, tiny flats</td>
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<tr>
<td>C</td>
<td></td>
<td></td>
<td>21</td>
<td>Hucksack &amp; Bicycle</td>
<td>Mixed areas of urban singles and some students</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td>22</td>
<td>College and campus</td>
<td>Locations where students live in communal institutions</td>
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<tr>
<td>C</td>
<td></td>
<td></td>
<td>23</td>
<td>Inner city transeuse</td>
<td>Multi-ethnic shapers of small purpose built flats</td>
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<tr>
<td>C</td>
<td></td>
<td></td>
<td>24</td>
<td>Cosmopolitan Chic</td>
<td>Smart flats in 4/5 storey stone Victorian terraces</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td>25</td>
<td>Tenement Lifestyles</td>
<td>4/5 storey walk ups built for lower income groups</td>
</tr>
<tr>
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<td></td>
<td>26</td>
<td>Downtown Flatlets</td>
<td>Small flats in commercial areas of mid size towns</td>
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<td>C</td>
<td></td>
<td></td>
<td>27</td>
<td>30 something singles</td>
<td>Mixed inner areas, many older singles / cohabitees</td>
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<tr>
<td>C</td>
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<td></td>
<td>28</td>
<td>Small town pride</td>
<td>Victorian inner areas of smaller towns</td>
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<td>C</td>
<td></td>
<td></td>
<td>29</td>
<td>Dignified Seniors</td>
<td>Quality older low rise areas with some nursing homes</td>
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<tr>
<td>D</td>
<td>Country Lifestyles</td>
<td>Rural communities and isolated farmers</td>
<td>30</td>
<td>Sought after schemes</td>
<td>Where responsible older tenants now own their homes</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td>31</td>
<td>Russell Renaissance</td>
<td>Older schemes in industrial towns, many now owning</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td>32</td>
<td>Pensions Paradise</td>
<td>Mix of young owners and centers, many in new towns</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td>33</td>
<td>Smokesack survivors</td>
<td>Low rise estates built for employees in steel and coal</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td>34</td>
<td>Quality City Schemes</td>
<td>Urban office workers in well built older low rise housing</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td>35</td>
<td>Lathe and loom</td>
<td>Tenants in low rise schemes in small factory towns</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td>36</td>
<td>Indebted families</td>
<td>Low rise schemes with high levels of deprivation</td>
</tr>
<tr>
<td>D</td>
<td></td>
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<td>37</td>
<td>Producers of Poverty</td>
<td>Council Flats with high levels of deprivation</td>
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<tr>
<td>D</td>
<td></td>
<td></td>
<td>38</td>
<td>Mid rise breadline</td>
<td>Mid rise blocks, intense levels of social deprivation</td>
</tr>
<tr>
<td>D</td>
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<td>39</td>
<td>Room and kitchen</td>
<td>Singles in council blocks with very small units</td>
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<tr>
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<td>Families in the sky</td>
<td>High rise flats housing poorer families and singles</td>
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<td>41</td>
<td>Elders 4 in a block</td>
<td>4-in-a-block flats with many low income pensioners</td>
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<tr>
<td>D</td>
<td></td>
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<td>42</td>
<td>Greys in small flats</td>
<td>4/5 storey schemes housing solos and pensioners</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td>43</td>
<td>Skyline seniors</td>
<td>High rise flats housing low income pensioners</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td>44</td>
<td>Twilight Infirmity</td>
<td>Accommodation designed for and occupied by the elderly</td>
</tr>
</tbody>
</table>

The Mosaic Scotland Family Tree illustrates the major demographic and lifestyle polarities between the Types and Groups, and shows how the Mosaic Scotland Types relate to each other.


A summary for each of the Mosaic Scotland Groups is shown in the following pages.
Mosaic Scotland typology and summary descriptions

Group A: Upper Echelons
Successful people living in the choicest suburban locations

Overview
Key Features
- Middle-aged
- Older children
- Home owners
- Successful
- Charming housing
- Suburban locations
- Professional career
- High income
- Posh leisure pursuits
- Discriminating values

Rankings
Age  8/10
Presence of Children < 15  6/10
Household Income  9/10
Other Employment Benefits  5/10
Non-Mortgage Debt  5/10
Income Inequality Indicator  10/10
Level of Urbanisation  6/10
Scottish Index of Multiple Deprivation  12/10

Top Postal Areas
- Edinburgh EH
- Aberdeen AB
- Glasgow G
- Fife PH
- Perth PH

Typical Houses
Using Customer Insight to drive Channel Shift

Group B: Families on the Move
Busy families who are moving up in their careers and lifestyles

Overview
Key Features
- Young couples
- Young families
- Modern homes
- On career ladders
- Great prospects
- Juggling home & work
- Energetic
- Capable
- New technology
- Internet

Rankings
- Age: 4/10
- Presence of Children < 18: 7/10
- House/hold Income: 4/10
- Gross Financial Assets: 4/10
- Non-Mortgage Debt: 2/10
- Indebtedness Indicator: 1/10
- Level of Urbanisation: 9/10
- Scottish Index of Multiple Deprivation (SIMD): 9/10

Top Postal Areas
- Motherwell ML
- Falkirk FK
- Kirkintilloch KY
- Paterson PA
- Aberdeen AB

---

Group C: Small Town Property
Middle wealth households with a local outlook

Overview
Key Features
- Middle-aged
- Married couples
- Older children
- Meters suburbs
- Small towns
- Skilled professionals
- Hard working
- Middle incomes
- Value authenticity
- Traditional

Rankings
- Age: 7/10
- Presence of Children < 18: 5/10
- House/hold Income: 3/10
- Gross Financial Assets: 3/10
- Non-Mortgage Debt: 6/10
- Indebtedness Indicator: 8/10
- Level of Urbanisation: 8/10
- Scottish Index of Multiple Deprivation (SIMD): 8/10

Top Postal Areas
- Inverness IV
- Dumbarton GD
- Dunedin DD
- Perth PH
- Kirkintilloch KY
Using Customer Insight to drive Channel Shift

Group D: Country Lifestyles
Rural communities and isolated farmers

Overview
Key Features
- Older working couples
- Retired couples
- Children at college
- Farming, forestry
- Fishing, sea tourism
- Rural communities
- Work long hours
- Cars important
- Knowledge of Gaelic
- Churchgoers

Rankings
- Age: 6/10
- Presence of Children < 16: 7/10
- Household Income: 4/10
- Gross Financial Assets: 2/10
- Non-Mortgage Debt: 9/10
- Indebtedness Indicator: 9/10
- Level of Urbanisation: 10/10
- Scottish Index of Multiple Deprivation (SIMD): 6/10

Typical Houses

Top Postal Areas
- Helenslea HD
- Shellarid IV
- Kilkwall KW
- Comrieig DG
- Perth PH

Group E: Urban Sophisticates
Young, well educated singles in city apartments

Overview
Key Features
- Young singles
- Students
- Well paid professionals
- Few children
- Well educated
- Stylish suburbs
- Halls of residences
- Diversity
- Individuality
- Internet

Rankings
- Age: 1/10
- Presence of Children < 16: 8/10
- Household Income: 5/10
- Gross Financial Assets: 5/10
- Non-Mortgage Debt: 7/10
- Indebtedness Indicator: 6/10
- Level of Urbanisation: 10/10
- Scottish Index of Multiple Deprivation (SIMD): 7/10

Typical Houses

Top Postal Areas
- Edinbugh EH
- Glasgow G
- Aberdeen AB
- Dundee DD
- Falkirk FK
Using Customer Insight to drive Channel Shift

Group F: Town Centre Singles
Single people living in the older flats and houses of town centres

Overview
Key Features
- Singles, S, co-habitees
- Some older residents
- Few children
- Terrace or flats
- Inner city or town
- Basic education
- Skilled occupations
- Low income
- Close to shops
- Car not needed

Rankings
- Age: 5/10
- Presence of Children < 16: 4/10
- Household Income: 6/10
- Gross Financial Assets: 6/10
- Non-Mortgage Debt: 4/10
- Indebtedness Indicator: 5/10
- Level of Urbanisation: 2/10
- Scottish Index of Multiple Deprivation (SIMD): 5/10

Top Postal Areas
- Edinburgh EH
- Falkirk FK
- Dundee DD
- Glasgow G
- Perth PH

Group G: Renters Now Owning
Owner occupiers of ex-council housing living in dense communities

Overview
Key Features
- Older couples
- Older children
- Terraced housing
- Better council schemes
- Extended Right to Buy
- Skilled trades
- Traditional gender roles
- Sense of community
- Responsible
- Traditional tastes

Rankings
- Age: 9/10
- Presence of Children < 16: 6/10
- Household Income: 7/10
- Gross Financial Assets: 9/10
- Non-Mortgage Debt: 3/10
- Indebtedness Indicator: 2/10
- Level of Urbanisation: 7/10
- Scottish Index of Multiple Deprivation (SIMD): 4/10

Top Postal Areas
- Cumnock DG
- Kirkcaldy KY
- Falkirk FK
- Kilmarnock KA
- Motherwell ML
Using Customer Insight to drive Channel Shift

Group H: Low Income Families
Families with children living on limited means in low rise council housing

Overview
Key Features
- Single parents
- Families with children
- Low rise council homes
- Overcrowding
- High unemployment
- Semi-skilled trades
- Low incomes
- Debt problems
- Public transport
- Mass market brands

Rankings
<table>
<thead>
<tr>
<th>Factor</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>5/10</td>
</tr>
<tr>
<td>Presence of Children &lt; 18</td>
<td>3/10</td>
</tr>
<tr>
<td>Household Income</td>
<td>6/10</td>
</tr>
<tr>
<td>Gross Financial Assets</td>
<td>7/10</td>
</tr>
<tr>
<td>Non-Mortgage Debt</td>
<td>5/10</td>
</tr>
<tr>
<td>Incidence of Multiple Dial</td>
<td>3/10</td>
</tr>
<tr>
<td>Level of Urbanisation</td>
<td>5/10</td>
</tr>
<tr>
<td>Scottish Index of Multiple</td>
<td>3/10</td>
</tr>
<tr>
<td>Occupation (SIME)</td>
<td></td>
</tr>
</tbody>
</table>

Typical Houses

Top Postal Areas
- Motherwell ML
- Kilmarnock KA
- Kirkintory KY
- Falkirk FK
- Glasgow G

Group I: State Beneficiaries
Very low income households in council flats

Overview
Key Features
- Families with children
- Single parents
- Council flats
- Overcrowding
- State benefits
- Criminal damage
- Extreme deprivation
- Public transport
- Alcohol & tobacco
- Post Offices popular

Rankings
<table>
<thead>
<tr>
<th>Factor</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>2/10</td>
</tr>
<tr>
<td>Presence of Children &lt; 18</td>
<td>2/10</td>
</tr>
<tr>
<td>Household Income</td>
<td>10/10</td>
</tr>
<tr>
<td>Gross Financial Assets</td>
<td>10/10</td>
</tr>
<tr>
<td>Non-Mortgage Debt</td>
<td>8/10</td>
</tr>
<tr>
<td>Incidence of Multiple Dial</td>
<td>1/10</td>
</tr>
<tr>
<td>Level of Urbanisation</td>
<td>5/10</td>
</tr>
<tr>
<td>Scottish Index of Multiple</td>
<td>1/10</td>
</tr>
<tr>
<td>Occupation (SIME)</td>
<td></td>
</tr>
</tbody>
</table>

Typical Houses

Top Postal Areas
- Glasgow G
- Dundee DD
- Motherwell ML
- Falkirk FK
- Edinburgh EH
Using Customer Insight to drive Channel Shift

Group J: Shades of Grey
Elderly residents in publicly rented accommodation

Overview

Key Features
- Elderly people
- Some sheltered housing
- Some flats
- Low incomes
- Low savings
- State pension
- Poor health
- Look forward to visits
- Bingo, playing cards
- TV popular

Rankings

<table>
<thead>
<tr>
<th>Feature</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>10/10</td>
</tr>
<tr>
<td>Presence of Children &lt; 18</td>
<td>10/10</td>
</tr>
<tr>
<td>Householder Income</td>
<td>9/10</td>
</tr>
<tr>
<td>Gross Financial Assets</td>
<td>8/10</td>
</tr>
<tr>
<td>Non-Mortgage Debt</td>
<td>10/10</td>
</tr>
<tr>
<td>Inheritance Indicator</td>
<td>4/10</td>
</tr>
<tr>
<td>Level of Urbanisation</td>
<td>4/10</td>
</tr>
<tr>
<td>Scottish Index of Multiple</td>
<td>2/10</td>
</tr>
<tr>
<td>Expulsion (SMED)</td>
<td></td>
</tr>
</tbody>
</table>

Top Postal Areas
- Dundas DD
- Motherwell ML
- Kilnamoody KA
- Gatehouse TD
- Pollok PA
Appendix 2
Interpreting the numbers
Interpreting the numbers

Mosaic Scotland profile tables

Mosaic Scotland classifies all households in Scotland into one of 44 Types that are further summarised into 10 broader Groups. Mosaic identifies the typical demography, socio-economics, households and lifestyles, of Scottish households.

Mosaic Scotland has been applied to Scottish Borders service data in order to understand who uses the Council’s services. The target households for each service or channel were identified by looking for the highest index values as explained below. The Mosaic Scotland classification was applied to provide an overall view of the service users and also to provide a view of the likelihood of those users changing the channel through which they receive that service.

The profile results have been summarised in the report such that the tables show:

<table>
<thead>
<tr>
<th>Mosaic Scotland groups</th>
<th>Target %</th>
<th>Base %</th>
<th>Penetration</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Upper Echelons</td>
<td>9.83</td>
<td>6.93</td>
<td>99.65</td>
<td>142</td>
</tr>
<tr>
<td>C Small Town Propriety</td>
<td>14.81</td>
<td>10.58</td>
<td>98.35</td>
<td>140</td>
</tr>
<tr>
<td>D Country Lifestyles</td>
<td>11.78</td>
<td>9.09</td>
<td>91.06</td>
<td>139</td>
</tr>
<tr>
<td>E Urban Sophisticates</td>
<td>8.33</td>
<td>6.13</td>
<td>95.45</td>
<td>136</td>
</tr>
<tr>
<td>F Town Centre Singles</td>
<td>10.63</td>
<td>9.47</td>
<td>78.86</td>
<td>112</td>
</tr>
<tr>
<td>G Renters Now Owning</td>
<td>16.54</td>
<td>15.80</td>
<td>73.57</td>
<td>105</td>
</tr>
<tr>
<td>H Low Income Families</td>
<td>8.16</td>
<td>14.85</td>
<td>38.60</td>
<td>55</td>
</tr>
<tr>
<td>I State Beneficiaries</td>
<td>1.15</td>
<td>6.55</td>
<td>12.36</td>
<td>18</td>
</tr>
<tr>
<td>J Shades of Grey</td>
<td>1.78</td>
<td>8.56</td>
<td>14.62</td>
<td>21</td>
</tr>
</tbody>
</table>

Target %: The number of records in the specific criteria by Mosaic Group expressed as a % of the total number of households meeting that criteria.

Base %: The number of Scottish Borders households in each Mosaic Group expressed as a % of the total Scottish Borders households.

Penetration: Shows the % of all Scottish Borders Council households by Mosaic group that are accounted for by the target household count. For example, if the Target was 25 households and the base 200 households the penetration would be 12.5%.

Index: Shows how close the Target % is to the Base %. An index of 100 means the target % is equal to the base. An index less than 100 means the variable is under-represented, and greater than 100 is over-represented. The graph plots the index values.

Target household count values and Penetration % are only included as columns in some of the tables to illustrate particular things.
Appendix 3
About us
Who we are

About Experian’s Public Sector services

Experian has been working with the public sector for over 20 years where it has specialised in delivering real cost benefits and efficiencies across a broad range of public services. Experian is a recognised and established provider of customer insight and revenue protection services to many hundreds of public sector organisations in central and local government. Its client list includes major government departments, over 70 per cent of UK local authorities, Regional Development Agencies, Strategic Health Authorities, Primary Care Trusts, Acute Trusts, Police Forces and Fire & Rescue Services. Experian helps the UK Public Sector meet its transformational objectives for improving outcomes and reducing inequalities for the citizen and community.

For more information please visit: www.experian.co.uk/publicsector

About Experian

Experian is the leading global information services company, providing data and analytical tools to clients in more than 65 countries. The company helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft. Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended 31 March 2009 was $3.9 billion. Experian employs approximately 15,000 people in 40 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; Costa Mesa, California; and São Paulo, Brazil.

For more information please visit: www.experianplc.com