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## Customer Insight and LAAs

### Key points

- ‘Customer insight’ is rapidly gaining ground as an approach to developing knowledge about service users and citizens – their needs, desires, preferences, experiences and behaviours - and applying this knowledge to improving services.
- It covers a broad span of data sources, analysis methods, techniques like ‘customer journeys’, and, fundamentally, culture and ways of working, with services built round the individual not the service provider. Taking a truly customer-centred approach can require radical change in how services are delivered.
- Its development has been spurred on by the introduction of Comprehensive Area Assessment (CAA) with its emphasis on customer/ citizen intelligence, coupled with the new Duty to Involve placed on local authorities
- Customer insight is driving developments to co-ordinate data sources available to local authorities, and fresh thinking about how to enable data sharing
- Customer insight in partner organisations has tended to be pursued on parallel lines, rather than on a collaborative basis. This is likely to weaken their abilities to improve service quality and impact though reconfiguring services and to achieve efficiency gains.
- There are many opportunities to bring together strands of analysis around customers, neighbourhoods and equalities – potential that has rarely been achieved to date, even within individual partner organisations.

### Introduction

**‘Customer insight’** is a rapidly growing as a popular concept in local authorities, central government and the health service. It concerns developing knowledge about service users and citizens – their needs, desires, preferences, experiences and behaviours - and applying this to improving services.

Much about customer insight is not new, being rather about applying good practice from marketing in a public service setting – especially in adopting principles of what it really means to be *customer-centred*. The term derives from private sector practice, where it has been associated with a search for greater competitive advantage from deeper knowledge of customers: what matters to them and what can trigger changes in their behaviour. In this, there are close links to policy thinking on ‘personalised services’ and emergence of ‘social marketing’ practice in public health.

Distinctions between ‘*customer insight*’ and ‘*citizen insight*’ can be drawn: the former relating to people using services, and the latter to the wider set of residents. Definitions can include local businesses and visitors as well as citizens.

Increasingly, there are references to ‘patient insight’ in health services, and to ‘stakeholder insight’ more widely, where organisations are seeking a deeper understanding of their partners, staff and other stakeholders as part of their efforts to become more effective and valued.

### ***Developing customer insight***

Sources of customer intelligence may include:

- user records, service by service - or contained on central Customer Relationship Management (CRM) systems (such as those maintained by local authority call centres)
- consultation survey responses and analysis
- service complaints
- research studies
- councillors and front-line staff
- commercial data (eg, Mosaic and Acorn datasets – increasingly popular for the ways they present data on groups or segments of the population)

Improving customer intelligence and its use lies at the heart of a commitment made by the local government chief executives in the region to ensure that all their authorities become ‘customer focused’. Improvement and Efficiency West Midlands (IEWM) has recently surveyed local authorities in the region on their use of different sources of intelligence to inform the IEWM project, ‘*Preparing for insight and CAA: a Customer Focused Approach to Performance Management*’. This project links closely to national promotion of customer insight by the Local Government Association and IDeA, as well as within central government (see Resources below).

### **Applications of Customer Insight**

Customer insight has a range of applications including:

- targeting services (eg, on specific groups in the population, on neighbourhoods and localities)
- improving understanding of who uses public services, to what extent, and in what combinations
- stimulating fresh thinking about what can nudge or trigger changes in citizen/ user behaviour (eg, on recycling or healthy living)
- tracking the effectiveness of referrals between parts of the organisation, or between organisations
- performance management, including highlighting service take-up by different groups or neighbourhoods
- providing evidence for CAA (eg, in demonstrating how the local authority is putting into practice the new Duty to Involve – which covers *informing* and *consulting* as well as *involving*), and for Equality Impact Assessments

Customer insight lies behind the ‘Tell Us Once’ campaign led by the Department for Work and Pensions, a cross-government initiative to ensure that customers need only to contact one

department about a change in their personal details or situation (starting with registering births and bereavements). This information is then shared between the relevant agencies, resulting in fewer contacts for customers and efficiencies in running public services. Tell Us Once is being tested across a range of departments and local authorities and using different communication methods.

Taking a truly customer-centred approach can require radical change in how services are delivered. Being serious about this may require services to go further to meet the public on their terms, and often to do more to manage citizen expectations effectively. This may well matter in developing local understanding about the limits to what can be done on some issues such as reducing congestion.

The *starting* point is to study customer preferences, needs and expectations – drawn from the various sources of data mentioned above and techniques such as customer journey analysis.

### ***Starting with customers' experiences***

The concept of '**customer journeys**' is regarded as part of the customer insight toolbox. It relates to ways of thinking through how individuals engage with public and voluntary sector services, especially where they follow a path which brings them into contact with a number of different services. (We have produced a separate briefing on the use of customer journeys in the context of reducing worklessness).

Researching and thinking through customer journeys has brought benefits for partners both strategically and operationally, eg, in:

#### *strategic benefits*

- highlighting any imbalances in resources devoted to different aspects of customer needs (eg, in mainstream worklessness services there has been comparatively little priority to outreach and to in-work support)
- understanding service delivery chains and clarifying the contributions of different organisations to meeting customer needs in the round, not just how 'needs' may be defined by individual public bodies

#### *operational benefits*

- improving service quality and achieving efficiency gains

'Customer emotion' maps may be used, showing how pleased - or otherwise – users are with different stages in their experience of service delivery. Such analysis can paint a very different picture from customer satisfaction data gathered routinely.

The Cabinet Office has published a thorough guide to Customer Journey mapping, highlighting possible uses, eg, to paths experienced by individuals and families (eg, birth or adoption, starting school, leaving education and getting married) and by businesses (eg, starting a business, paying tax, and employing someone). Three types of journey mapping are presented: customer experience; mapping the system;

and measuring the experience – ideally to be used in combination. Practical examples are included such as an analysis of the application process for free school meals in Tameside.

### ***State of play in the West Midlands – the Customer Intelligence & CAA project***

Emerging findings from the IEWM project include:

- while there is much more ‘customer’ information gathered by local authorities than is widely appreciated, this tends not to be co-ordinated effectively: local authorities are “data rich, but information poor”, and are not taking full advantage of the possibilities for information sharing
- doubts about how well geared local authorities are for using customer data in performance management
- a need to develop capacity and capability in analysing and interpreting data in ways that demonstrate a clear understanding of their place
- questions about how well the needs of councillors and senior officers are understood

The project involves Birmingham, Herefordshire, Sandwell, Stoke-on-Trent, Stratford, Walsall, Warwick and Worcester Councils. For more information, see the IEWM page at:

[www.wmcoe.gov.uk/index.php?page=374](http://www.wmcoe.gov.uk/index.php?page=374)

**Birmingham City Council** has pursued improvements in customer intelligence as part of its overall approach to business transformation.

- The Council has developed a centralised data resource with unique records of transactions with customers (citizens, businesses and visitors), and have started to mine this information to identify trends and opportunities for service improvements
- As part of this approach, the Birmingham population is segmented into 12 major groups, initially using Mosaic categories differentiated by ethnicity, such as career professionals living in high quality housing ; younger families in modern private new estates; older families living in traditional private housing in mature neighbourhoods; families with children living in semis in suburban areas; and families with children living in low-valued terraced houses, often reliant on state benefits. Businesses are segmented into eight categories and visitors into five.
- Such analyses are intended to drive the annual refresh of the Council plan and the content of service delivery frameworks. These draw on understanding of key events (such as moving house, giving birth, etc) in determining the service offer
- Early applications have included:
  - increasing the uptake of waste recycling
  - promoting swimming at leisure centres
  - profiling social housing tenants, to tailor service delivery
  - identifying and targeting pensioners eligible for Council Tax

**Walsall Council** has undertaken an Intelligence Audit, which led to recommendations about improving processes needed to capture and report outcomes; measures to co-ordinate data gathering

and interpretation, including guidance to managers on maximising use of intelligence; and organisational development activities for managers and members.

Walsall has set up a Customer Experience board of senior officers, and an 'Improving the Customer Experience' (ICE) management team to provide cross-service support for initiatives and culture change. They are running customer experience stakeholder forums and mystery shopper project (with wider partnership dimensions) – linked to a lean systems business improvement project (which has been supported by IEWM). They are also developing a Partnership Engagement Forum with the LSP, Police, Fire, PCT, Local Neighbourhood Partnerships, and housing associations. A core consultation group is framing local standards (including service measurement tool) and seeking to develop people and places perspectives. There is also an Information Management Group which is looking at more effective ways of presenting data (eg, through the Internet, GIS and collaborative tools).

## Implications for LAA planning and delivery

Customer insight practice is evolving, moving from what was predominantly an e-government and marketing context to make connections with other areas of public sector expertise, eg, in analysing user needs (ie, not necessarily what people say they want...) and in using Neighbourhood Statistics and other data sources in undertaking 'customer segmentation' analyses.

- Taking a genuinely customer-centred approach can require radical change in how services are delivered, and in how data are gathered and used. The need for culture change can be significant, embedding this in everyday practice
- Giving priority to developing customer insight practices and resources will directly address requirements of CAA, and, for local authorities help to demonstrate the new best Value duty to inform, consult and involve
- Intelligence gleaned from customer insight has the potential to inform all stages of delivery/ service planning, and can feed into neighbourhood profiles and locality action planning
- Customer insight is increasingly being used in targeted initiatives, not least public health campaigns and neighbourhood policing – though it is not always referred to as such!
- The state of the art is still developing – and to be robust there is a need to take structured approaches to testing different approaches and learning from what works and what doesn't work.
  - There is more to be done as well, for example, in developing equalities aspects and capturing rural dimensions to customer needs and service delivery
  - Customer records may underplay the needs of disadvantaged/ vulnerable groups, where service take-up is relatively low.
- There is typically a great deal of scope to co-ordinate work on customer insight across the local authority and partnership
  - An audit of customer intelligence resources (datasets, consultations, etc) may be the starting point

- This may also take into account the effectiveness of systems for capturing customer data and ensuring good quality responses, eg, in dealing with – and learning from - complaints<sup>1</sup>
- There may also be a need to ensure that there is greater capacity in place: to join up practices and systems, mine and analyse the available data
- Data protection legislation need not be an obstacle. Protocols can be used to iron out concerns about what can and can't be shared and how the data can be used. Often data can be shared in anonymised or aggregated forms for strategic purposes without breaching confidentiality, and personal data may be managed effectively by seeking customer/ user consent.
- Beware that some of the jargon surrounding customer insight: it can appear incomprehensible, with talk of 'channels', 'CRM', etc. Translation is not that difficult: 'channels' refers to the ways in which users make contact with public services, be it, eg, by phone, websites, in person or through outreach services. 'CRM' stands for Customer Relationship Management: the systems used to record dealings with service users and enquirers.

Some of the attention to customer insight in an LAA context has been spurred by the presence of a National Indicator (NI 14) on 'Reducing avoidable contact'. Typically, this relates to instances where residents get back in touch with the Council on outstanding matters. The level of this can often be significant. The indicator not about avoiding contact with people per se, but rather is a reflection of how well local authorities listen to, and act on, service user feedback.

#### Lambeth First Citizen Focus Programme

Lambeth First provides an example of a lead on customer insight given by an LSP. It sponsors the Citizen Focus Programme in the borough, which looks at how partners can join up and improve public services. The programme seeks to:

- identify barriers, opportunities and priorities for service improvement for Lambeth residents and businesses
- identify where delivery needs to be joined up across the partnership to provide seamless services
- make recommendations for improvements through innovative forms of collaboration
- develop an action plan for improving services

The programme is led by a steering group with representatives from partner organisations, supported by a dedicated project management team. Lambeth First is running a series of workshops on topics such as: Running a business in Lambeth; Receiving a life-changing diagnoses; School exclusion; Homeless in Lambeth; Being a victim; Worklessness; and Teenage transitions.

[www.lambethfirst.org.uk/citizens-focus/](http://www.lambethfirst.org.uk/citizens-focus/)

<sup>1</sup> See, eg, National Audit Office (2008) Feeding back?: Learning from complaints handling in health and social care [www.nao.org.uk/pn/07-08/0708853.htm](http://www.nao.org.uk/pn/07-08/0708853.htm)

## Resources

### **National - IDeA/LGA & Cabinet Office**

LGA & IDeA (2008, *publication imminent*) Citizen and Customer Insight Guidance [www.idea.gov.uk/caa](http://www.idea.gov.uk/caa)

#### **IDeA on-line conference report on Customer Insight**

[www.idea.gov.uk/idk/aio/8819894](http://www.idea.gov.uk/idk/aio/8819894)

IDeA Policy and Performance Reference Group (PPRG) event on 18/03/08, - presentations included Jason Lowther, Birmingham CC and Paul Merrett, WMRIEP / Jo Stewart, Walsall MBC

[www.communities.idea.gov.uk/c/12404/doclib/document-display.do?backlink=ref&id=599515](http://www.communities.idea.gov.uk/c/12404/doclib/document-display.do?backlink=ref&id=599515)

Paul and Jo's presentation relates to the **West Midlands RIEP project on Customer**

**Intelligence, CAA and performance management** [www.wmcoe.gov.uk/index.php?page=374](http://www.wmcoe.gov.uk/index.php?page=374)

**Local Government Customer Insight Forum** [www.idea.gov.uk/idk/core/page.do?pagelid=8755198](http://www.idea.gov.uk/idk/core/page.do?pagelid=8755198)

**ESD Toolkit** – Customer Insight Forum (registration required, either to ESD for 'gov.uk' users or to the ESD Suppliers site for others) [www.esd.org.uk/forums/viewforum.php?f=189](http://www.esd.org.uk/forums/viewforum.php?f=189)

Customer Profiling project (including workshop presentations)

[www.esd.org.uk/suppliers/Communities/Profiling/ContentView.aspx?ContentType=Content-305](http://www.esd.org.uk/suppliers/Communities/Profiling/ContentView.aspx?ContentType=Content-305)

The ESD toolkit is supported by IDeA and includes a customer insight workstream, with a subscription service for local authorities to profile their communities and use of services, with a view to improving services and costing proposed changes. The role of ESD is also to help establish common language and definitions in developing customer insight arrangements. [www.esd.org.uk/esdtoolkit/default.aspx](http://www.esd.org.uk/esdtoolkit/default.aspx)

**Reducing Avoidable Contact (NI 14):** [www.idea.gov.uk/idk/core/page.do?pagelid=8507853](http://www.idea.gov.uk/idk/core/page.do?pagelid=8507853)

includes presentation from Dudley and guide from IDeA/ CLG/ Cabinet Office

*The following listing is courtesy of the IDeA CoP for the Customer Insight online conference which ran between 10-20 June 2008* [www.communities.idea.gov.uk/c/643937/home.do](http://www.communities.idea.gov.uk/c/643937/home.do) (registration required):

#### **Customer Insight in Public Service 'A Primer' (Cabinet Office)**

[www.cabinetoffice.gov.uk/public\\_service\\_reform/delivery\\_council/workplan.aspx](http://www.cabinetoffice.gov.uk/public_service_reform/delivery_council/workplan.aspx)

#### **Promoting Customer Satisfaction: Guidance on improving the customer experience in public services (Cabinet Office)**

[www.cabinetoffice.gov.uk/public\\_service\\_reform/delivery\\_council/workplan.aspx](http://www.cabinetoffice.gov.uk/public_service_reform/delivery_council/workplan.aspx)

#### **How to Measure Customer Satisfaction: A Toolkit for Improving the Customer Experience in Public Services (Cabinet Office)**

[www.cabinetoffice.gov.uk/public\\_service\\_reform/delivery\\_council/workplan.aspx](http://www.cabinetoffice.gov.uk/public_service_reform/delivery_council/workplan.aspx)

#### **Customer Journey Mapping: An Introduction (Cabinet Office)**

[www.cabinetoffice.gov.uk/public\\_service\\_reform/delivery\\_council/workplan.aspx](http://www.cabinetoffice.gov.uk/public_service_reform/delivery_council/workplan.aspx)

#### **Service Transformation: A better service for citizens and businesses, a better deal for the taxpayer (Varney Report)**

[www.hm-treasury.gov.uk/pre\\_budget\\_report/prebud\\_pbr06/other\\_docs/prebud\\_pbr06\\_varney.cfm](http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/other_docs/prebud_pbr06_varney.cfm)

#### **Customer Insight Protocol (LGA, IDeA and National Consumer Council)**

[www.lga.gov.uk/lga/core/page.do?pagelid=37632](http://www.lga.gov.uk/lga/core/page.do?pagelid=37632)

#### **Guide to segmentation (LGA, IDeA and National Consumer Council)**

[www.lga.gov.uk/lga/core/page.do?pagelid=37760](http://www.lga.gov.uk/lga/core/page.do?pagelid=37760)

#### **Putting the customer first (LGA)** [www.lga.gov.uk/lga/publications/publication-display.do?id=21933](http://www.lga.gov.uk/lga/publications/publication-display.do?id=21933)





The IDeA CoP also contains case studies, eg, Lambeth Primary Care Trust's Time to Quit campaign [www.communities.idea.gov.uk/c/643937/doclib/document-display.do?backlink=ref&id=905304](http://www.communities.idea.gov.uk/c/643937/doclib/document-display.do?backlink=ref&id=905304) and reducing teenage pregnancy (DH & DCSF)

### **Other resources**

**Behaviour change: knowledge review** (Government Social Research)

[www.gsr.gov.uk/resources/behaviour\\_change\\_review.asp](http://www.gsr.gov.uk/resources/behaviour_change_review.asp)

**Customer focused leadership: Research and learning** – Cabinet Office

[www.cabinetoffice.gov.uk/workforcematters/leadership/reform/learning\\_framework.aspx](http://www.cabinetoffice.gov.uk/workforcematters/leadership/reform/learning_framework.aspx)

**Delivering public services: service users' experiences of the third sector** - National Consumer Council (2007)

[www.ncc.org.uk/nccpdf/poldocs/NCCI62pd\\_delivering\\_public\\_services.pdf](http://www.ncc.org.uk/nccpdf/poldocs/NCCI62pd_delivering_public_services.pdf)

**From rhetoric to reality: engaging users in public services** - National Consumer Council (2007) [www.ncc.org.uk/nccpdf/poldocs/NCCI63pd\\_from\\_rhetoric\\_to\\_reality.pdf](http://www.ncc.org.uk/nccpdf/poldocs/NCCI63pd_from_rhetoric_to_reality.pdf)

**The information challenge: do you know your community?** (LGA seminar) - includes presentations by Jason Lowther (Birmingham CC) and Jo Stewart (Walsall MBC)

[www.lga.gov.uk/lga/core/page.do?pagelid=1026273](http://www.lga.gov.uk/lga/core/page.do?pagelid=1026273)

+ Jason Lowther presentation on YouTube at [www.youtube.com/watch?v=maXLOiu0MTc](http://www.youtube.com/watch?v=maXLOiu0MTc)

**Mapping and targeting communities** (IDeA) [www.idea.gov.uk/idk/core/page.do?pagelid=5945409](http://www.idea.gov.uk/idk/core/page.do?pagelid=5945409)

**National Social Marketing Centre** [www.nsms.org.uk/public/default.aspx](http://www.nsms.org.uk/public/default.aspx)

**Patient insight** (Dr Foster Intelligence) [www.drfooster.co.uk/library/reports/Patient\\_Insight.pdf](http://www.drfooster.co.uk/library/reports/Patient_Insight.pdf)

**Performance in Partnerships: Using Data in Local Services** (CLIP Conference 2008) – includes presentation from Lancashire County Council on customer insight

[www.clip.local.gov.uk/lgv/core/page.do?pagelid=85560](http://www.clip.local.gov.uk/lgv/core/page.do?pagelid=85560)

**Putting the Public First through Performance Management** (IDeA)

[www.idea.gov.uk/idk/aio/4446549](http://www.idea.gov.uk/idk/aio/4446549)

**Sharpening the spearhead: Customer focused public health information to tackle health inequalities** (National Social Marketing Centre)

[www.nsms.org.uk/images/CoreFiles/sharpening\\_the\\_spearhead.pdf](http://www.nsms.org.uk/images/CoreFiles/sharpening_the_spearhead.pdf)

**User Involvement in Public Services** - Public Administration Select Committee (2008)

[www.publications.parliament.uk/pa/cm200708/cmselect/cmpublicadm/410/41002.htm](http://www.publications.parliament.uk/pa/cm200708/cmselect/cmpublicadm/410/41002.htm)