



CASE STUDY: Improving Customer Experience Through Segmentation and Customer Insights



Background

Third largest bank in Chicagoland area with \$50+ billion in assets and 280 branches serving over 1 million customers. Operates in retail, business banking and private banking sectors. Owned by BMO Financial, a \$370 billion global banking organization.

Challenges

- Intense competition in the Chicago retail market resulting in challenges in acquiring and expanding customer relationships
- Higher cost deliver model made it difficult to compete to price
- Lack of insight into customer needs and preferences – generally treated all customers as single homogenous group
- Goal of differentiating retail bank and competing on the basis of superior customer experience

Approach

- Leveraged internal and external data to develop attitudinal-based customer segmentation model which defined four discrete segments
- Identified single segment – “Builder” segment – as target based on alignment with bank’s core value proposition and solution offerings
- Conducted in-depth primary research into Builder segment to define needs, behaviors, preferences, and brand perceptions
- Created customer experience that best matched the needs and expectations of the Builder segment which would deliver a differentiated banking experience to the target customer group.



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Result

- Deep insights into the needs, behaviors and preferences of target segment
- Targeted, differentiated customer experience designed around target segment
- Customer satisfaction scores improved to highest ranking of Midwest banks (JD Power) and highest Net Promoter Score of large Chicago banks