

EAGLE STAR and PRiZM

Eagle Star's motor insurance division wanted to identify customers most likely to renew policies, so that the insurance giant could take action before they switched to a competitor.

Claritas used its PRiZM classification system to create a profile of policy lapsed versus renewers. PRiZM classifies all UK consumers into one of 60 clusters based on their demographics and lifestyles and the products they buy.

Eagle Star had tagged PRiZM classification codes to its entire customer database using postcode matching, which is relatively quick and inexpensive and can be supplied on CD-ROM. Household level segmentation systems are more accurate, but require costly and time-consuming name and address level matching, and usually require a data bureau.

Eagle Star could target lapsed PRiZM codes with a telephone call and incentivised offer to encourage them to renew with Eagle Star and not a competitor.

The result was an immediate cost saving on mailings and a return on marketing activity that even extended to Eagle Star brokers. The motor insurance division went on to see **Customer Retention** improve by some 10 per cent.