

What is Customer Segmentation?

Gloucestershire Overview

2022

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acorn

Inform Gloucestershire

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What is Customer Segmentation?

Customer segmentation is about recognising that people are different and will not need the same services.

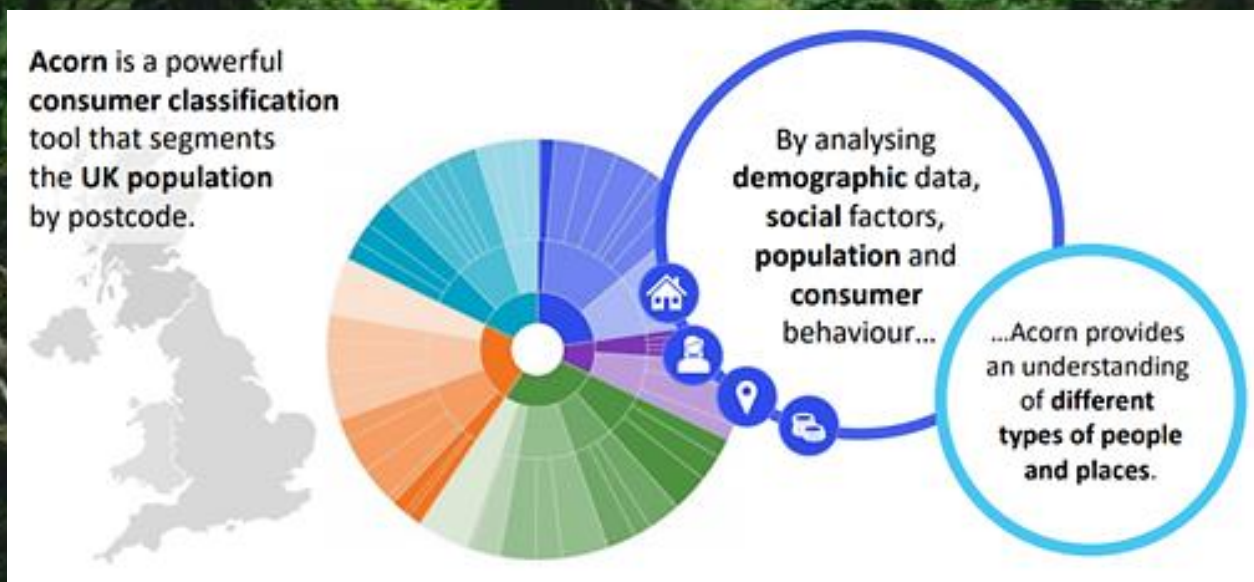
It is the process of dividing the population into homogenous groups based on shared characteristics, including who they are (socio demographics), what they do (behaviours) and how they think and feel (attitudes).



What is ACORN?

There are various customer segmentation tools available, these include Experian's Mosaic, the ONS Output Area Classification or CACI's Acorn.

Gloucestershire County Council uses CACI's product Acorn, which stands for **A** Classification **O**f Residential **N**eighbourhoods (**ACORN**).



Where does the data come from?

1. DATA SOURCES

A variety of GDPR compliant data sources are used in the build of Acorn – from a combination of:



Open Data

Government Data

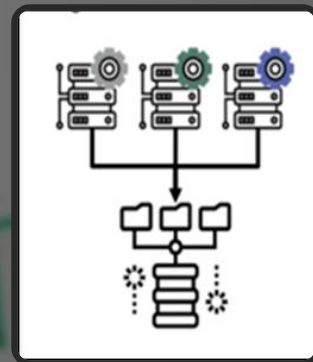
Commercial Data

CACI Proprietary Data

2. ANALYSIS

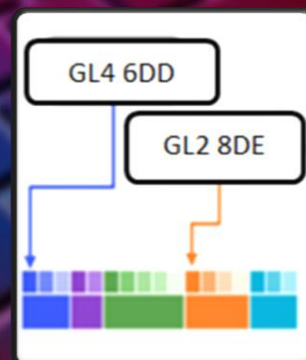
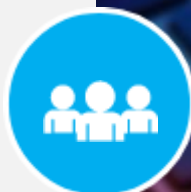
Statistical techniques are used to best utilise these different types of data to create a postcode level dataset.

The Acorn structure is defined through iterative, complex algorithms.



3. ALLOCATION

Machine learning is used to allocate postcodes to the most appropriate Acorn category, group and type.



4. ENHANCEMENT

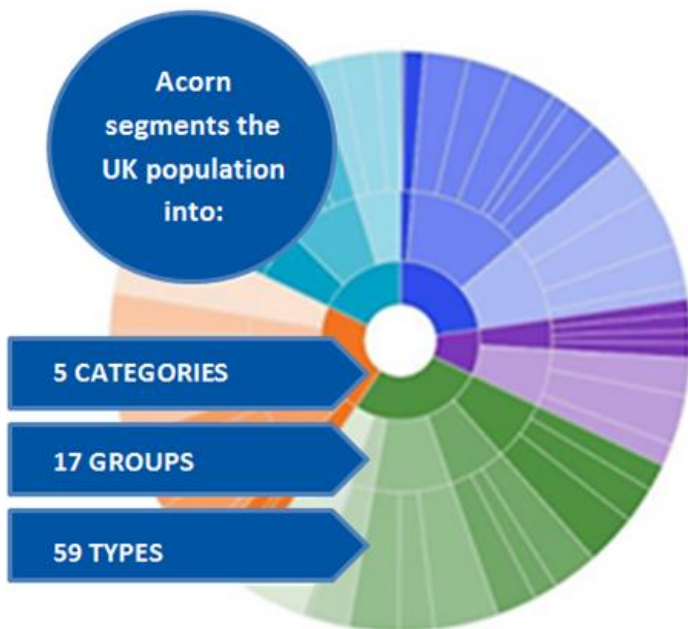
Profiling using research panels builds out rich insight into each segment.



How is the population segmented?

Acorn divides the population on a hierarchical basis into 62 types which nest into 18 groups and then 5 main categories, with an additional category of non-private households.

Acorn provides us with a description of each type, group and category and information about their likely characteristics and behaviours.



How can Acorn help?



Deliver services in a cost efficient manner



Assess demand for local services



Select target audiences for campaign selections



Develop new services



Acquire & retain the most valuable customers



Understand consumers channel preferences



Build models & enhance existing segmentations



Tailor product offerings with the most appropriate message



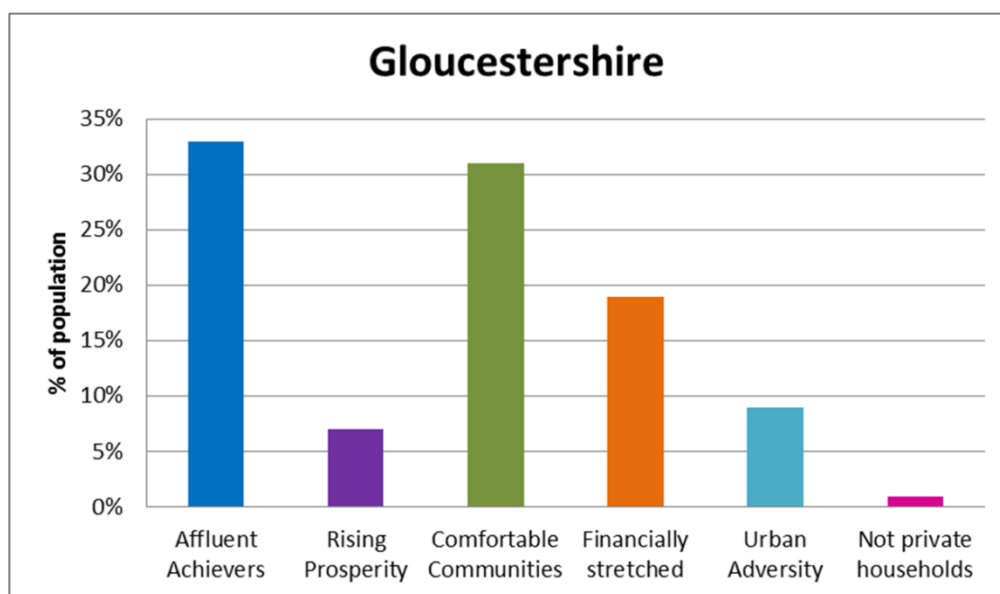
Gloucestershire Population Overview

Figure 1 shows Affluent Achievers (33%) and Comfortable Communities (31%) are the dominant Acorn categories in Gloucestershire.

Figure 2 shows the district population by Acorn Category. There are noticeable variations between the six Gloucestershire districts. Cotswold district has the highest percentage of people within the Affluent Achievers category amounting to 53% compared to Gloucester district with the lowest percentage at 16%. In Cheltenham 12% of the population are classed as Rising Prosperity which compares to less than 1% of the population in the Forest of Dean.

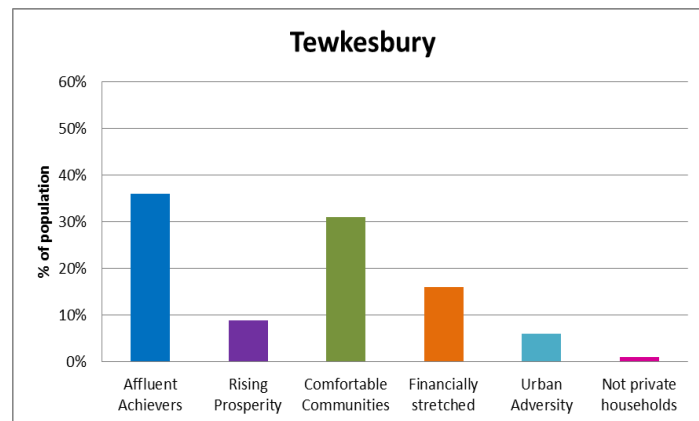
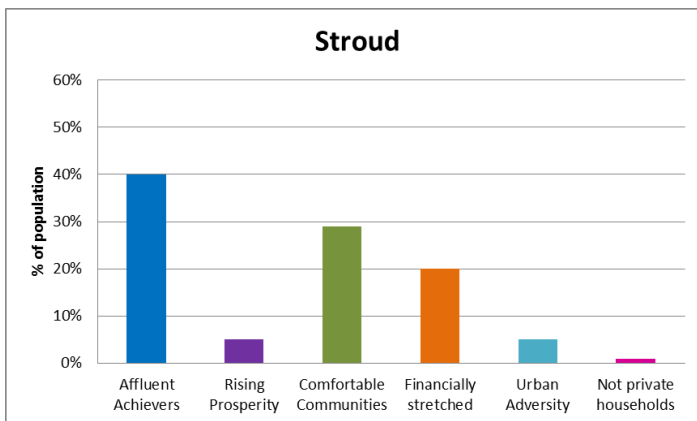
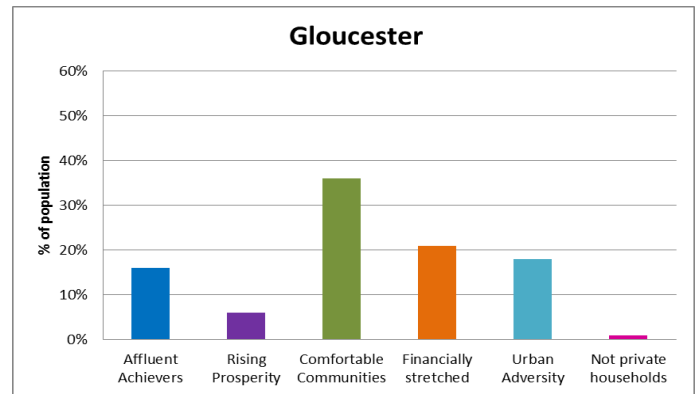
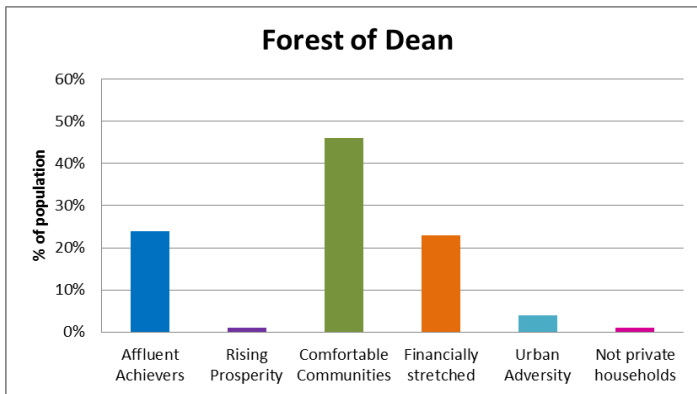
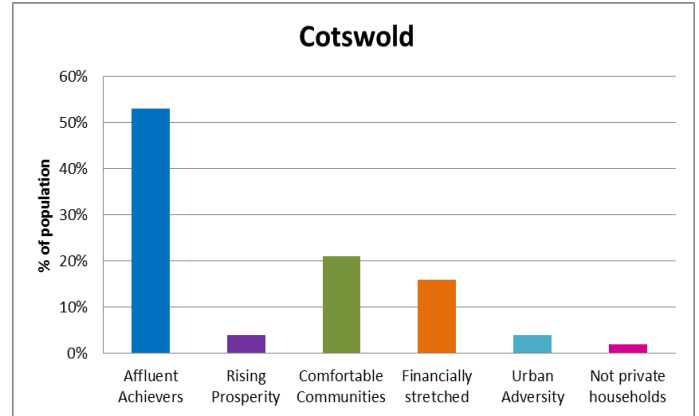
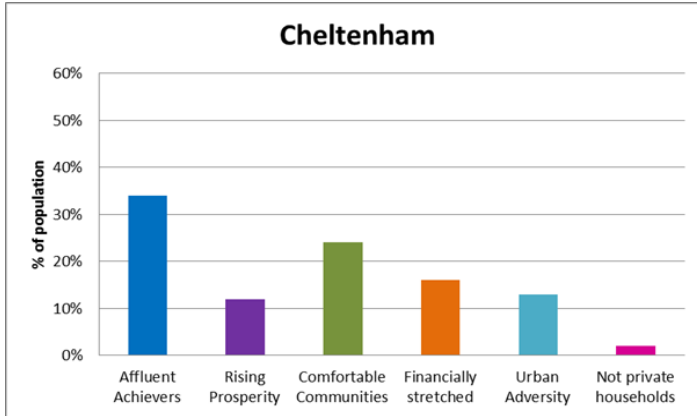
Figure 3 shows the percentage of Gloucestershire's population by Acorn category in map form.

Figure 1: Gloucestershire's population by Acorn Category (%)



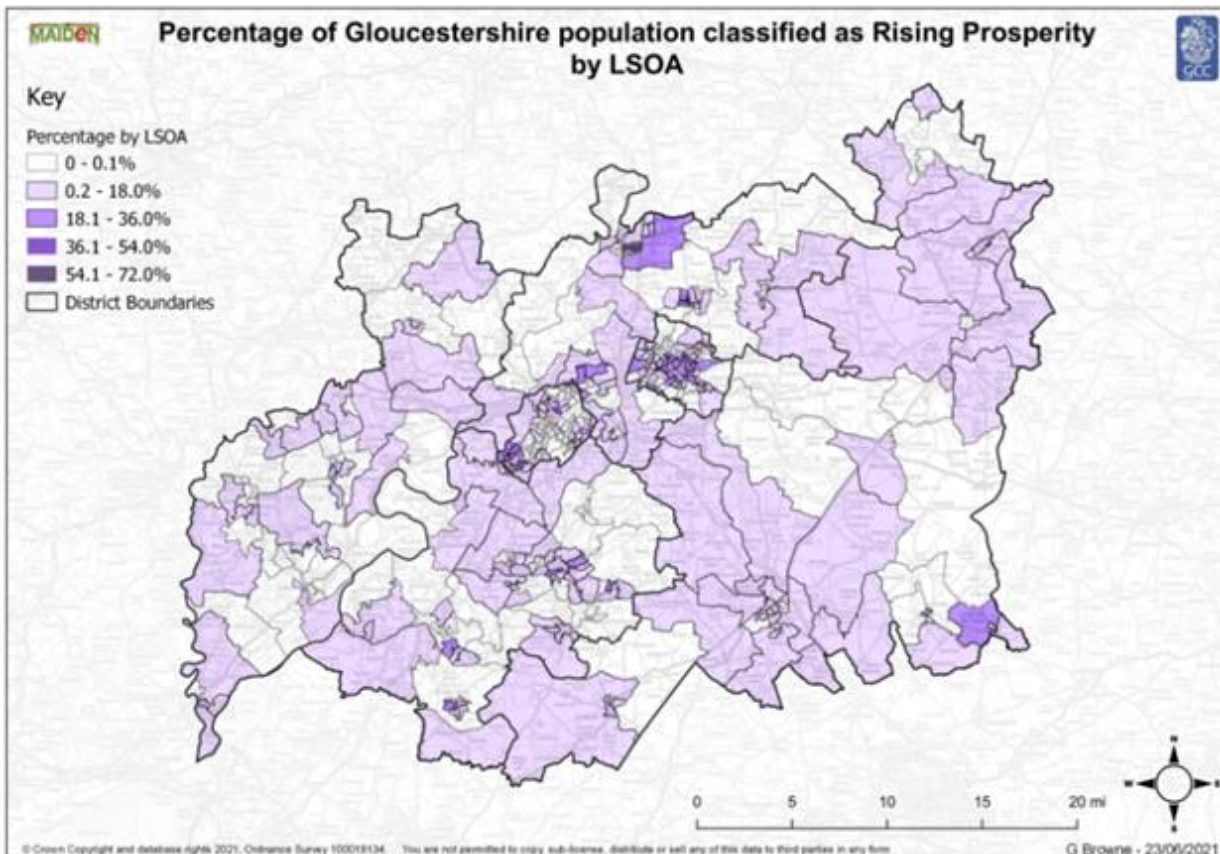
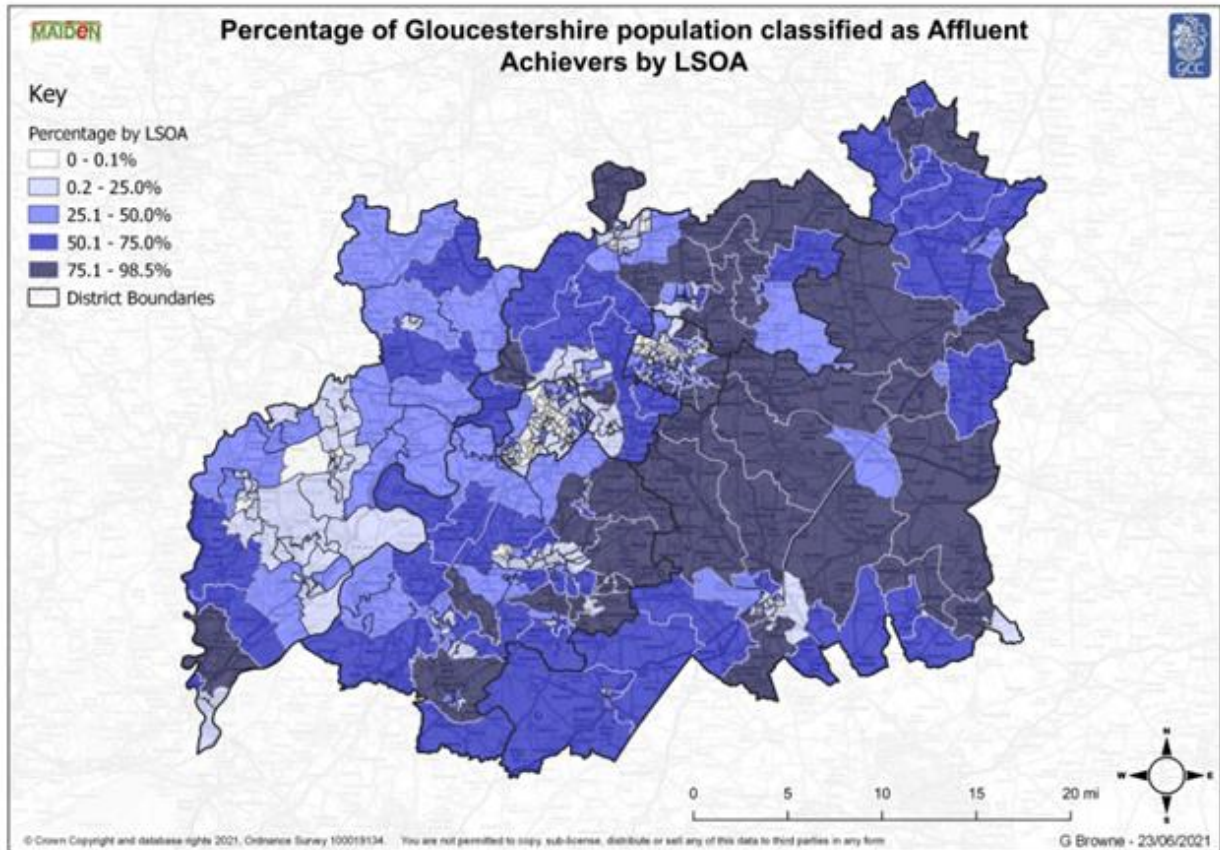
Gloucestershire District Population

Figure 2: Gloucestershire's population by Acorn Category, by district (%)



Gloucestershire population by Acorn Category

Figure 3: Maps showing percentage of Gloucestershire's population by Acorn Categories

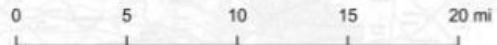
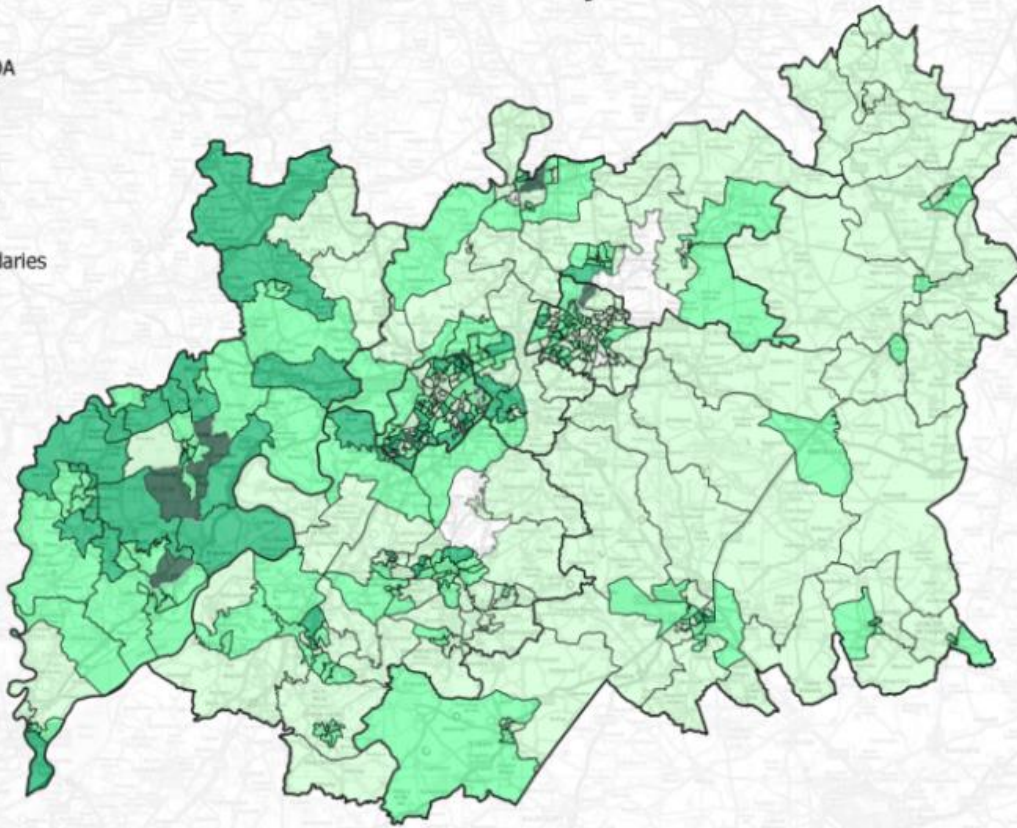


Percentage of Gloucestershire population classified as Comfortable Communities by LSOA

Key

Percentage by LSOA

- 0 - 0.1%
- 0.2 - 25.0%
- 25.1 - 50.0%
- 50.1 - 75.0%
- 75.1 - 94.0%
- District Boundaries

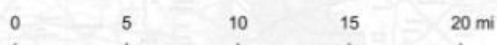
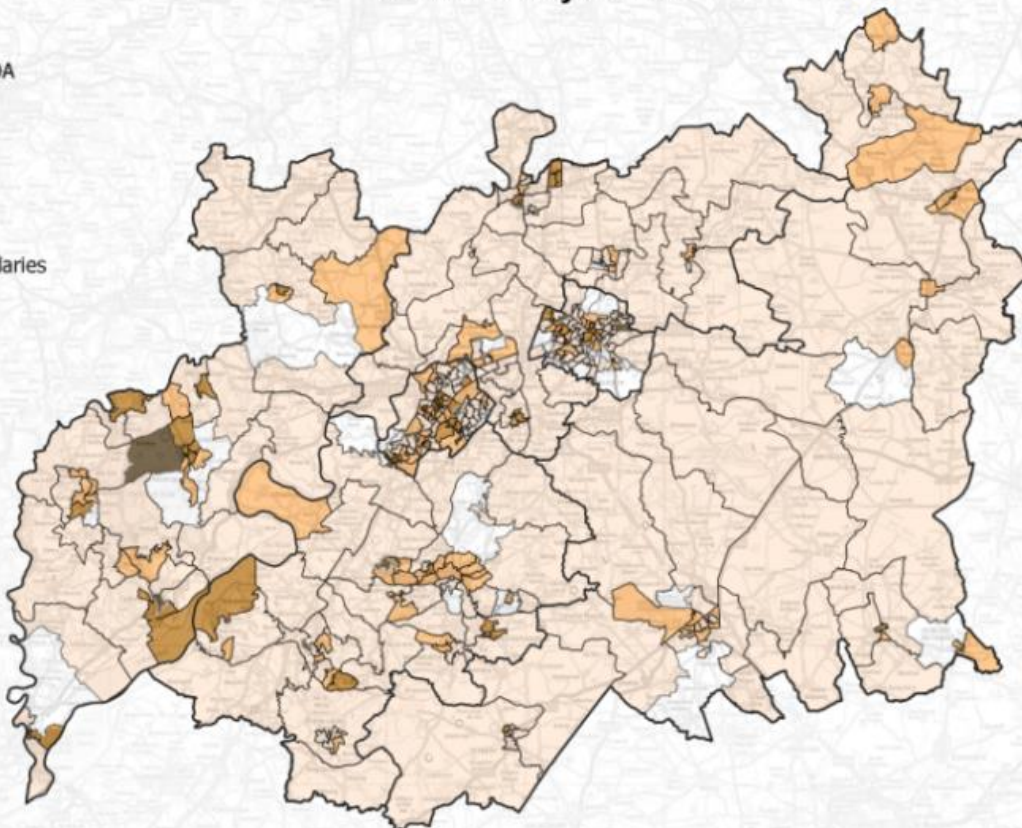


Percentage of Gloucestershire population classified as Financially Stretched by LSOA

Key

Percentage by LSOA

- 0 - 0.1%
- 0.1 - 20.0%
- 20.1 - 40.0%
- 40.1 - 60.0%
- 60.1 - 82.0%
- District Boundaries

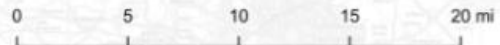
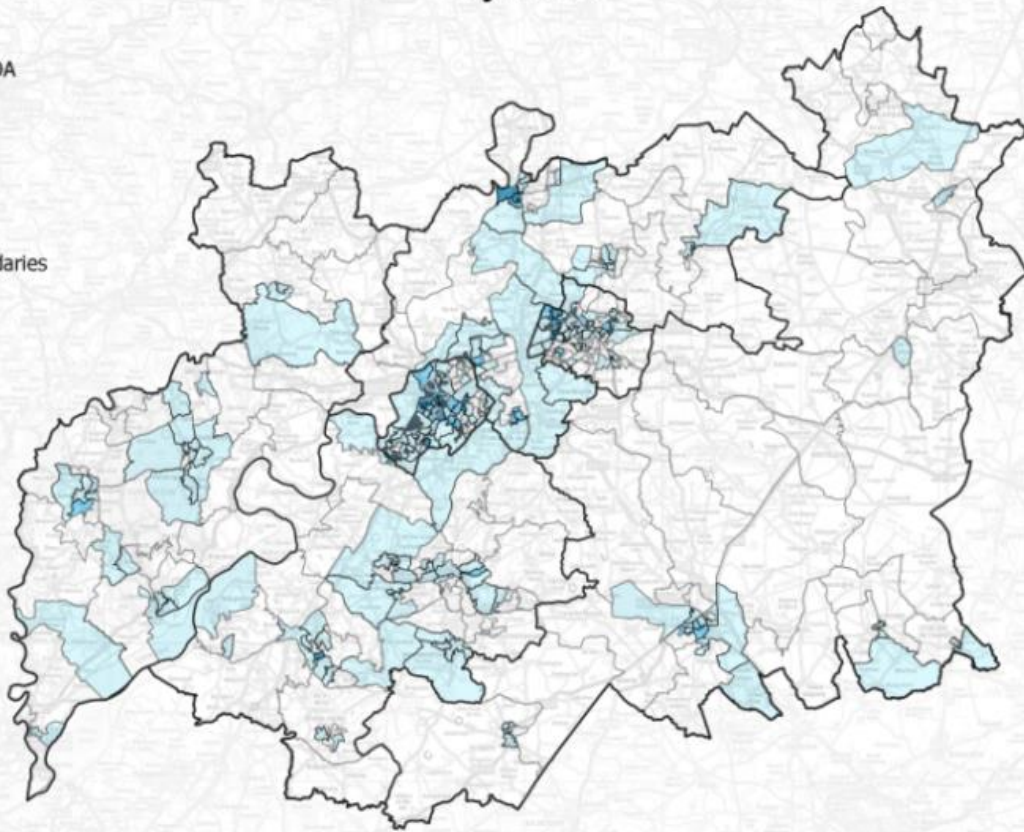


Percentage of Gloucestershire population classified as Urban Adversity by LSOA

Key

Percentage by LSOA

- 0 - 0.1%
- 0.1 - 20.0%
- 20.1 - 40.0%
- 40.1 - 60.0%
- 60.1 - 82.0%
- District Boundaries



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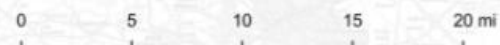
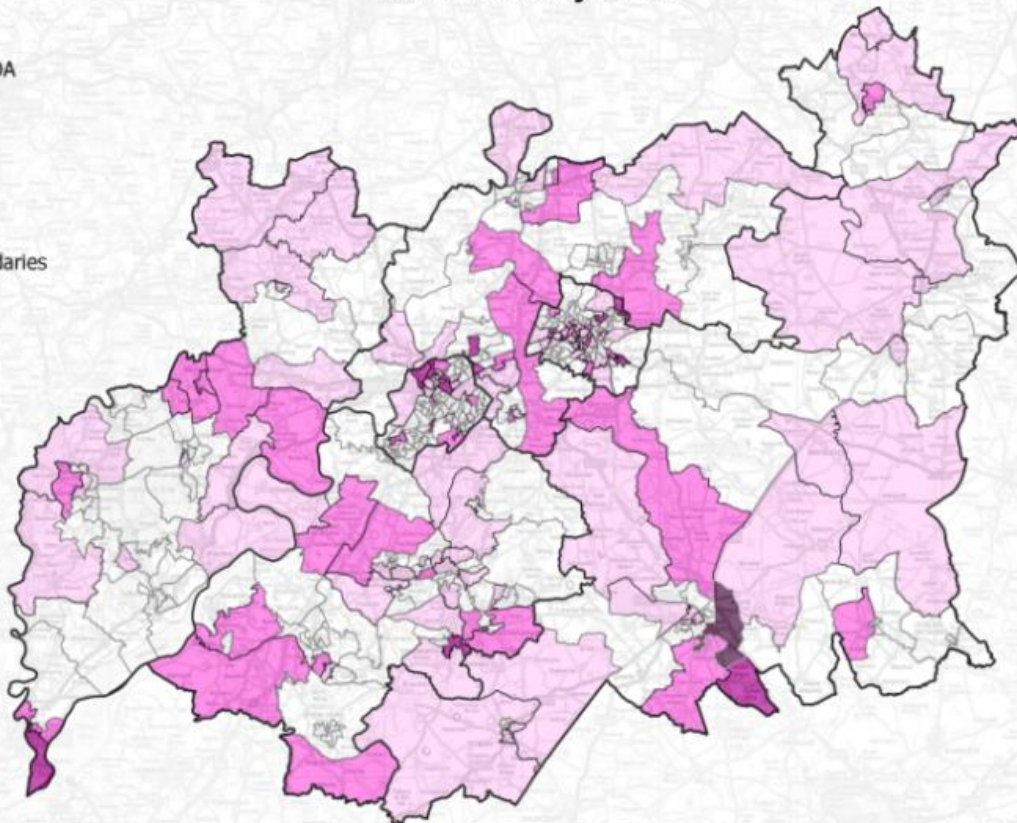
G Browne - 23/06/2021

Percentage of Gloucestershire population classified as Not Private Households by LSOA

Key

Percentage by LSOA

- 0 - 0.1%
- 0.1 - 4.0%
- 4.1 - 8.0%
- 8.1 - 12.0%
- 12.1 - 15.0%
- District Boundaries



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Wellbeing Acorn

Gloucestershire County Council also has access to Wellbeing Acorn, which is a powerful consumer classification tool that segments the UK population by analysing demographics, social, health and wellbeing characteristics.

Wellbeing Acorn provides an understanding of different types of people at a postcode level.

4

Groups

25

Types

Wellbeing Acorn provides the opportunity to identify these groups and their health and wellbeing needs at a local level as well as profiling existing service users to gain further insights into their behaviours and lifestyle.

The segmentation delivers an improved understanding of local communities' needs and delivers an ability to target health and wellbeing improvement strategies.

Applications:

- Gain insight into customers and residents
- Deliver intelligence on local populations
- Improve proposition and service delivery
- Target health improvement strategies more effectively
- Access local demand for health products and services
- Provide knowledge to support planning and prioritising resource
- Benchmark residents and customers against the underlying population.

