

You may not have heard of the CPP Group Plc (CPP), but you'll definitely know their products and chances are that you may well actually own one or more of them. CPP is one of the leading players in the emerging life assistance market, helping people cope with the challenges of modern life resulting from the increasing complexity, pace, opportunities and choices available. Its product portfolio provides its customers with support and protection for what's important to them, including their credit cards, mobile phones, keys and identities. When these are lost or stolen, people are increasingly looking for help to put things right – this is life assistance and it's where CPP enables its customers in their daily lives. Head2Head caught up with Richard Coates, Strategic Marketing Director, to find out more about CPP's data-driven marketing strategy, its major plans for consolidation in the financial services industry plus its expansion into new sectors.

Richard Coates, *Strategic Marketing Director, CPP Group Plc*



H2H: Consumers are becoming more conscious of security issues and we understand that CPP generated revenue of £168.1m in 2005 which is treble what it made five years previously. That being the case, why is CPP not a major household name?

Although we do sell our products under the CPP brand name, we also sell 'white label' products on behalf of our business partners, including Barclaycard, GE Capital and T-Mobile. However, we do have long term plans to build up the CPP name as a strong brand in its own right. As part of these plans we have made a seven figure investment in e-commerce which will not only help our business partners, but will also help us start the process of building direct consumer channels under the CPP brand – although not at the expense of our existing business partner relationships!

H2H: What is your role at CPP? It is extensive, varied and certainly keeps me busy! I look after the marketing, portfolio and brand strategy for the business. We already have a wide portfolio of products, but are actively looking at new products and services that fit alongside our current life assistance offering, so new product development is also a key part of my role. Data is core to driving our marketing strategy so I'm heavily involved in data analytics, while e-commerce, research and communications complete my remit. There are so many exciting opportunities in our marketplace this is a great time to be doing my job and building on the bedrock we have already created for the business.

H2H: Funny you should mention data! How big is your database and how do you use it to drive your marketing activity?

In the UK alone we have 15 million policy records, over five million of which are currently active. We have also been expanding the business out into Europe, with offices in Madrid, Lisbon, Paris, Milan, Hong Kong, Singapore and Minneapolis and anticipate launching in other countries too – all of which means that, globally, our data volume is forecast to significantly increase. To add to this we have a huge source of prospect data provided to us each month by our business partners for outbound telemarketing and inbound activation programmes.

From a tactical perspective we use it for targeting, utilising modelling and segmentation for both outbound telemarketing campaigns and also campaigns via other channels. We also use the insight it provides us strategically to help us as we develop market stretch in the UK.

Data is the key driver behind ensuring we maximise the effectiveness of our acquisition and retention activity. Currently we are putting a great deal of effort into reducing churn for our CPP Card Protection product. We are also working hard to acquire and cross-sell other products in our portfolio including CPP Identity Protection and CPP Phonesafe (for lost and stolen mobile phones).

“...Data is the key driver behind ensuring we maximise the effectiveness of our acquisition and retention activity...”

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INDUSTRY SNAPSHOT

The financial services industry has faced a period of great change in recent years, presenting many challenges and opportunities for direct marketers. However the sector consistently outspends other markets and last year was no exception with data from the DMIS 2005 Response Rate Survey showing that, up until 31st August 2005, direct mail expenditure from financial services organisations was £398,648,710 followed by the mail order arena with £334,117,373.

Based on spend, the top five financial sub-categories are: plastic cards, insurance, personal loans, insurance (life) and mortgages and related products. They account for the overwhelming majority of activity but, despite the high levels of investment, response rates for the financial sector are among the lowest of all.

UK households receive an average of 15 direct mail pieces per week, according to the Royal Mail. The expenditure is indicative, 41% of those 15 pieces – 6.15 – are selling a financial product, and of those, about five are for a credit card, insurance policy or loan.

The DMIS survey also delivers valuable insight into consumer perceptions of financial services DM, providing some welcome feedback for practitioners in this arena. 68% said that direct mail is the most important way of finding out about credit and debit cards, 83% of consumers stated that direct mail on interest rates would influence their choice of card provider, 66% stated that direct mail encourages them to take out a card and 68% agreed or agreed strongly that they would be more likely to buy from a company that kept them informed via direct mail.

For further details on this subject and other DM facts and figures visit www.dmis.co.uk



H2H: Finally, how does Acxiom help you with your business? In a number of ways. Last November we appointed them to fulfil our monthly data cleansing requirements. We receive between 600,000 to 700,000 prospect records from our business partners each month which Acxiom puts through a stringent data hygiene process to ensure that all the data is clean and deduped against our database, plus they append phone numbers to aid our telemarketing operation. We have been extremely pleased with how this work has been going. Their grid technology means that they can process large volumes of data quickly and easily, so this work is being done much faster than before. As a result we can provide our telemarketing business with names more quickly whilst the data is still extremely recent.

At the same time, Acxiom has also helped us by enhancing the transactional data in our customer database, appending Personix codes and data from bespoke propensity models to give us a rich profile of our customers in terms of demographics and lifestyles. Adding this to the attitudinal data insights we are developing with support from the Henley Centre means we can now be much cleverer with customer communications, messaging and contact strategies, analysis, insight and targeting – both for our own marketing and also for that of our business partners.

Indeed, Acxiom has been supporting our in-house team with the development of these models and helping us to strengthen our data analytics capabilities while we develop our own competency in this area internally.

What also helps in our relationship with Acxiom is the fact that its global footprint is very much aligned to that of CPP. As we are planning to further develop CPP internationally, Acxiom's own international capabilities will be very useful to help us mirror the way we work in the UK across the rest of the world.



protecting you...