

# customer insight:

research commissioned by LGA, NCC and IDeA



Customers are experts on local services. No public service can afford to operate without high quality insight into who their customers are, what their needs are and what they feel about services. All councils and their partners will want to understand the diversity of their communities and deliver services which respond to their different needs and wishes. To do this, they need to get maximum value from the information they gather about local people, and to be able to bring different information sources together to build a rich picture.

### Reasons you should know more:

- the public is entitled to good quality services, provided in ways that meet their different needs;
- public expectations of quality and service are rising and public services need to respond;
- councillors need high quality information about their wards and their council's area to enrich their local knowledge and to support decision making;
- one size fits all is not enough; the starting point needs to be an understanding of local people, their views and needs;
- service transformation needs to be outward focused and grounded in an understanding of local people;
- organisations in an area need to share data so that they can build a shared view of customers;
- efficient organisations need to get maximum value from the data they hold and use the best evidence possible to guide priority setting and their use of resources; and
- Comprehensive Area Assessment will call for all areas to demonstrate that they have strong customer insight and show how they have acted on it.

We commissioned Tetlow Associates, working with Dr Foster Research, to work with four case study local authorities: Birmingham, Somerset, Taunton Deane and Uttlesford, and a wider stakeholder group of different types of councils from all around the country, to develop an important tool:

*A customer insight protocol: a practical and standard way of gathering and holding data about people that use local services. This*

*includes key information about their personal characteristics and about how to ensure that information can be shared anonymously between service providers. The protocol includes an approach to segmentation. By using the building blocks set out in the protocol, councils can segment their customers in ways that work for their local circumstances. They can combine their own information with Area Classifications from the Office for National Statistics or commercial segmentations.*

More information on the learning from the research and on segmentation is available on the Local Government Association's website (see below).

### Moving forward

There is no shortage of models and approaches to customer insight and good customer service, but the single most important factor is that those who lead and run the service genuinely care about customer service and how it is done. Once this commitment is in place, our recent work helps you to move forward.

The starting point is about knowing your customers and hearing what they are saying. The key to great public services is that they go beyond ad hoc and occasional listening and develop a systematic and rigorous approach to collecting information about people and their different needs. Many local authorities are keen to do more to make this step change to professional customer insight. Ask yourself, do we:

- Segment our population with care, so that we can understand the differences between different groups?

- Integrate our research across local services in a strategic way, using a consistent approach to segmentation, so that we can get a rounded view of customers and services?
- Do the most that we can to share data across local service providers and agencies, so that we can make services more responsive, while safeguarding appropriate confidentiality?
- Make decisions on commissioning and the design of services, such as how to access them and what information people need, on the basis of customer insight as it changes over time?
- Assess people's satisfaction and experience with services in a consistent way?
- in terms of efficiencies, an effective approach to customer insight will ensure that your services meet the right needs of the right people in the most efficient way; and
- it offers you the assurance that you are in good company across local authorities, sharing and developing a common approach to customer insight.

We are asking every local authority to:

- assess what they are doing on customer insight;
- opt to use the customer insight protocol for all new surveys; and
- contribute to the development and evolution of the protocol for the benefit and improvement of local public services.

We have developed and tested a practical tool, the customer insight protocol, to help you achieve this. It is a baseline approach on which you can build and we are recommending it to every local authority. We believe it can be refined through practical use by councils and their partners.

### Customer insight protocol

The protocol is a small thing that could make a big difference. It is a guide to how data on customers should be handled. We believe it will evolve and develop as practice grows. The great advantages of opting into the use of the protocol are:

- once data is captured consistently, this allows you to compare it in a consistent way, saving effort and resources. In particular, it opens up the field to far more helpful benchmarking within local authorities and across areas. This is bottom up data that is owned by local authorities for their use;
- the protocol offers a baseline approach to segmentation, which helps you to understand the different 'publics' that the public services are there for. This is a starting point for local authorities new to segmentation. It is a baseline on which you can build and link to Area Classifications from the Office for National Statistics or commercial segmentations;
- promote the advantages of segmentation to local government and the public sector as part of excellent customer service and excellent public services;
- support councils and share learning from their experience, including learning from the ESD (Electronic Service Delivery) toolkit work on customer insight and segmentation;
- promote the use of the data protocol and refine it based on experience;
- work with the department for Communities and Local Government (CLG) to use the data protocol as the basis for the planned 'place based survey';
- advocate local flexibility, but common tools as the basis for customer insight; and
- push for customer insight to be at the heart of the new performance framework.

### Supporting you

The Local Government Association (LGA) and the Improvement and Development Agency (IDeA) are working together, in partnership with the National Consumer Council to help all councils raise their game. They will:

Further information is available from:

**LGA:** <http://www.lga.gov.uk/OurWork.asp?lsection=59&ccat=1244>

**NCC:** [www.ncc.org.uk](http://www.ncc.org.uk)

**IDeA:** <http://www.idea.gov.uk/>

**ESD toolkit:** <http://www.esd.org.uk/>

We would welcome your views on this work and on how we can help councils raise their game. Contact us at [info@lga.gov.uk](mailto:info@lga.gov.uk)



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