BearingPoint®

Increasing LV=’s top line through marketing & media optimisation

Analysing intra- and cross-channel marketing spend and sales attribution allowed LV= to identify more effective ways to reach its customers and to deliver unique insights for its customer contact strategy to increase sales.

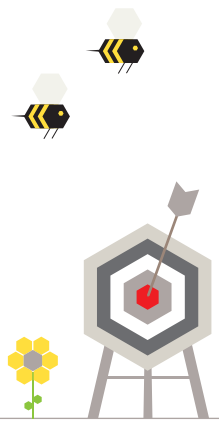
BearingPoint®

LV=

Optimising marketing & media spend by moving from linear media channel planning & measurement to a multi-party, cross-channel approach

"We selected BearingPoint as our analytics partner because of their strong industry and marketing expertise and their advanced HyperCube tool which we believe will provide LV= with a unique competitive advantage. Not only do we have a better understanding of the impact of spend across channels on our customers, we now also have an integrated process to plan our spend by working across all our internal teams and media agencies."

Geoff Bates, Head of Marketing Analytics, LV= Life



About LV=

Liverpool Victoria (LV=) is one of the UK's leading insurance and financial services providers with 5.5 million customers and 5,800 employees working across 17 UK offices. In 2013 LV= recorded an operating profit of £105 million, making it the UK's largest friendly society and a leading financial mutual.

LV= insures their customers' most valued possessions: from cars to pets. It also offers investment, protection and retirement products and is one of the UK's top three providers of 50+ life insurance plans.

A competitive, complex and regulated market

Despite a significant increase in the number of providers and marketing spend, the 50+ life insurance market has been relatively flat since 2011. Short term demand is stagnant whilst lapse rates are set to rise. New UK insurance guidelines for 2014 are also likely to impact demand, whilst a crowded market means there is little to differentiate offerings beyond price.

LV= sought to outperform its competitors by applying a smarter approach to understanding the complexities of how its multi-channel campaigns actually influence the customer purchase journey. With a wide range of media channels now available to their marketing teams, LV= faced a variety of marketing challenges:

- Difficulty tracing sales leads to the marketing origin, with digital channels often excessively attributed to a customer's decision to purchase despite multiple adverts across multiple channels influencing the customer's purchase journey
- Direct mail remains an effective tool in 50+ life plan marketing, however it is expensive compared to digital sales tools
- Organisations have more data than ever on potential customers to enable smarter marketing decisions, yet traditional statistical analytics still result in between two-thirds to 75% of budgets not being spent as effectively as it could be. A smarter approach is required

LV= was keen to utilise the rich data at its disposal to understand not only the best channels to use, but in which combination and order. Having exhausted its traditional toolkit of advanced statistics and modelling, LV= looked to BearingPoint for a new and unique approach.

A new way to optimise media spend

Traditional analytics and statistical tools depend on marketing experts developing hypotheses and finding data to support the theory. Expert bias can naturally lead to group thinking and the analysis of only limited data sets. BearingPoint used its unique media optimisation solution MediaMX 3.0 which is based on an unbiased, non-statistical algorithm. It does not depend on pre-determined models and can process an unlimited number of data sets using the HyperCube® grid computing algorithm.

Working with multiple external media agencies to cover direct mail, TV, press and digital, the team sourced hundreds of data variables across all campaign types, including both internal and external data sources. Over multiple iterative cycles the team derived more than 4,000 variables, 100+ unique media rules, and the operational impact analysis of what it would take to implement these rules in a new marketing plan.

Having successfully tested the results in the market, LV= has identified a large number of opportunities for further analysis (including customer profitability and claims) and has now deployed MediaMX 3.0 as a Managed Service to boost its in-house analytics team with experts from BearingPoint.

MediaMX 3.0 – deeper insight, coordination and collaboration

Incorporation of new data streams:

- LV= analysed 4,000+ variables, comprising of daily channel spend including historical spend from media agencies, as well as detailed customer and prospect attributes obtained from third-party providers

Cross-channel attribution methodology:

- LV= Moved from linear sales attribution analysis to a more accurate multi-channel approach

Integrated planning and review process:

- LV= moved from a traditional silo-per-channel model to a deep strategic collaboration that reflects the true multi-touch point way that potential customers experience campaigns and the LV= brand

MediaMX 3.0 is powered by HyperCube®, a breakthrough data analysis technology widely recognised for its game changing capabilities. The MIT Innovation Showcase rated HyperCube® as "The new state-of-the-art Complex Event Intelligence".

Higher returns for lower investments

LV= achieved the following immediate benefits with MediaMX 3.0:

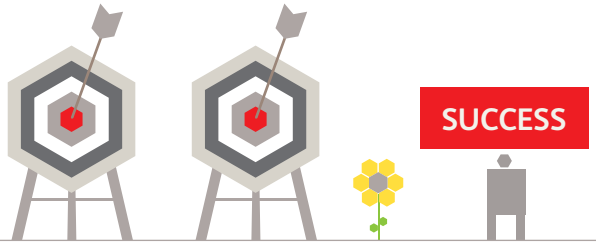
- 100+ scientific rules identified to optimise media spend and implemented 14 key business rules in collaboration with LV='s media agencies within one month (neither LV='s or media agencies' existing toolsets had been able to identify these new, unique rules)
- Annual sales of 50+ product expected to rise ~11% at the same level of marketing spend. A 2.0% sales increase already achieved after the first quarter thanks to MediaMX 3.0.
- Socio-demographic sub-groups identified from direct mailing lists that represent a 90% increase in sales conversion, resulting in 81% of LV='s current sales at only 43% of their mailing cost.
- Uncovered the optimal split of budget by channel and by time of the year, and identified specific combinations of TV times, Press times and genre/ publication types that could directly increase product sales

Example rule for TV timing (simplified):

- Above average spend in the previous month in 'breakfast', 'pre peak' and 'early peak' periods and below average spend in 'coffee' and 'daytime' resulted in 3.3 times higher likelihood to get a top sales day

In addition to the analytical benefits, LV= achieved the following:

- Initiated a transformational journey for media planning and review by moving from traditional single channel model to continuous multi-agency cross-team collaboration
- Demonstrated the clear impact of investment in one media channel over others, something that was always suspected by LV= but had never been possible to prove without MediaMX 3.0
- Built strong understanding and knowledge of existing LV= and agency data, their current limitations and additional data requirements for the future
- Developed a catalogue of 4,000+ combined and derived data variables that can be carried over into further analysis and easily extended with new data sets



"Optimising media spend has been a prime focus for us, and BearingPoint has been our trusted advisor on this journey. Working with HyperCube®, we discovered customer attributes that our advanced statistical tools were simply not able to find. BearingPoint's analysis not only improved campaign performance with quantifiable uplifts, but provided insight about how marketing spend in one channel impacts conversion in another, something we had always suspected but found difficult to prove. We now have a stronger understanding of how, when and where to spend our marketing budget. BearingPoint's methodology and tool is easy to understand and apply. The team has been great in getting our internal stakeholders and media agencies aligned and pulling in one direction – to drive more business for us and a better experience for our customers."

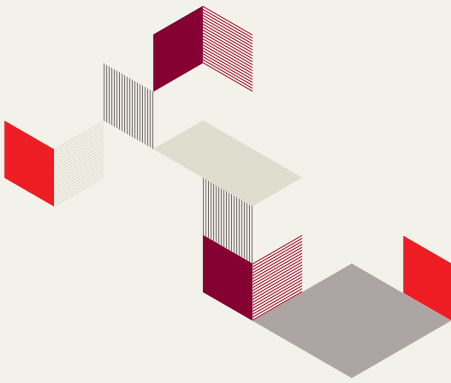
Stacie Maxey, Data Analytics Manager, LV= Life

BearingPoint®

Committed consultants with adaptive intelligence

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world's leading companies and organisations. Our 3,350 people, together with our global consulting network serve clients in more than 70 countries and engage with them for measurable results and long-lasting success.

To learn more, visit our website at www.bearingpoint.com.



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