



# CASE STUDY: Segmenting Customers to Deepen Relationships



## Background

Mortgage servicer of over \$40 billion of residential mortgage loans. Over 200,000 residential mortgage customers nationwide. Subsidiary of H&R Block, the world's largest tax services provider with 12,000 offices in the US and 1,300 in Canada and Australia.

## Challenges

- Lack of insight into customer needs, channel preferences, interest in additional products
- Inability to effectively penetrate customer base with ancillary product offerings
- Desire to improve customer satisfaction and retention, service customers more effectively and efficiently

## Approach

- Conducted primary customer research including quantitative surveys of over 500 customers
- Used data to develop attitudinal- and behavioral-based customer segmentation model which defined four customer segments
- Developed unique customer servicing strategies for each of the four segments
- Identified the two segments with highest cross-sell potential; developed product and marketing strategies to effectively reach target segments



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## Result

- Unique customer servicing strategies for each of four customer segments based on needs and preferences
- Product and marketing strategies for cross-selling informed by customer insights
- 25% increase in ancillary product sales to target customer groups.