

# Client Segmentation:

## It's about more than just assets & income

The most basic client segmentation systems identify clients using a single letter or number -- clients are 1-2-3 or A-B-C level clients. This approach to client segmentation is founded largely on client profitability based on aggregate deposits, mutual funds, credit dealings, investment and other banking services. This is an excellent starting point for client segmentation, which many organizations have adopted in some form or another.

With our “Triple A” approach you can further refine client segmentation to help achieve a better degree of meaning as it relates to your clients. This refinement involves overlaying a multi-dimensional client assessment. This refined classification involves assessing the **Attitude** and **Advocacy** of your best clients so you can differentiate them from those who simply have the assets or income. Let’s look now at how the “Triple A” approach works to create a meaningful framework for sorting and organizing all existing and future clients.



### The Ideal Client and AAA Client Classification

When it comes to defining each of the “A”s in our “Triple A” approach, we use criteria congruent with how we would describe our ‘ideal’ or ‘best’ clients. Now we’ll explore each of the “A”s and exactly what they mean.

#### The First “A”

The **first A** in this approach speaks to **Assets** (or income generated from those assets and other business activities with you and the organization). Simply put: these are clients who have only met the ‘money’ criteria of segmentation. Currently, you only manage part of this client’s financial and/or banking needs. You need to demonstrate to “A” clients that you offer an exceptional experience at a trusted organization and can manage all their financial and/or banking needs. The nice thing is that these people are typically your best prospects because they are already partially convinced. You don’t have to start from scratch.

This group is best described as “Clients” in the Loyalty Ladder. In other words, they have an existing working relationship with you, they also have significant assets and/or income, but they often feel more like customers than true clients. These individuals do not reflect your ‘best’ relationships.

## The Second “A”

The **second “A”** refers to **Attitude**, which over the lifetime of your working relationship with clients, is more important than assets (or income). These are the clients that make you smile when they come in to see you because working with them is a pleasure.

This is where we consider the following:

- What is their affinity towards you, other representatives and the organization as a whole?
- Do they empower you to guide them as it relates to financial advice?
- Do they focus on what the service costs them or what the service is worth?
- Do they follow your recommendations and appreciate the services you offer them?
- Do they possess the attitudinal traits that create a positive working relationship? Are they respectful, pleasant and cooperative when dealing with you and others at the organization?

This group is best described as “Engaged Client” in the Loyalty Ladder. This is a client who meets the **Asset** criteria for classification but also demonstrates a good **Attitude** towards you and the organization.

These clients value you and the Credit Union. However, something is holding them back from raving about us to their friends and families. These clients have sufficient assets and/or income to be an A level client. They also seem to value our service as we are typically their primary financial institution. However, for whatever reason, AA clients are not sending friends and family your way. Your goal with AA clients is to get them up to the AAA level by offering superb client service. You also need to show them how to introduce others to you. This can take time and patience, but the results will be well worth it.

## The Third “A”

The **third A** stands for **Advocacy**. These top clients will frequently recommend the services of you and other representatives at the organization. These Ideal Clients appreciate the merit of "buying into" a relationship with a professional, rather than simply "buying" things from a salesperson. They are extremely loyal and they feel they are doing a likeminded friend a disservice by not introducing them to you.

This group is best described as your very best clients – your “Advocate Clients”. They meet your asset and/or income criteria (**Assets**), we are their number one financial provider (**Attitude**) and they frequently recommend your services (**Advocacy**). A partnership with a AAA client is extremely rewarding and they demonstrate a consistent willingness to introduce you to others thereby helping you continue to grow your clients.

Now that you understand how your clients are segmented then classified, you can provide the appropriate service levels with the goal of migrating them upwards towards the ultimate - AAA client!