



## Consumer Panel Briefing – Consumer Segmentation

### What is the issue?

The Legal Services Consumer Panel (the Panel) would like regulators to adopt consumer segmentation more widely in their work. Consumer segmentation is a technique that enables regulators to better identify the specific needs and wants of customer groups. Regulators can then use those insights to improve regulatory outcomes, and encourage service providers to provide products and services that meet consumers' needs. A number of consumer characteristics can be used to understand consumer segmentation such as age, gender, income, geographical area, and buying behaviour.

### What is the Consumer Panel's view?

In March 2017, the Panel published a discussion paper outlining the benefits of consumer segmentation.<sup>1</sup> The research highlighted examples from other regulated sectors and made a strong case for its wider adoption in legal services. The Panel believes that segmentation will enable regulators to better target access to justice solutions, understand varying needs, communicate with consumers better, and more broadly identify risks and mitigate against them more effectively, amongst many other benefits.

Due to regulators' different resourcing capabilities, the Panel accepts that segmentation exercises must be proportionate and practical. We recognise that the resources available may well prevent anything other than high level segmentation exercises. However, there should be sufficient commonality of issues across the sector to warrant collaboration amongst frontline regulators to conduct a proportionate approach.

### What is the Consumer Panel doing about it?

The Panel has used its annual Tracker Survey and other pieces of research to highlight the emerging role of consumer segmentation as a way of enhancing and targeting regulation. For example, there has been a disparity between the experiences of Black and Minority Ethnic (BME) and White British consumers. We published a policy briefing in November 2016

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<sup>1</sup> [The Legal Services Consumer Panel, Consumers Segmentation, March 2017](#)

focusing on the experiences of the BME communities in choosing and using legal services.<sup>2</sup> Additionally, the Panel regularly publishes policy briefings on differences between Welsh and English legal services consumers.<sup>3</sup> Our joint research with the Legal Services Board on 'Unbundling Legal Services' also shone a light on the need for the legal sector to accept that different problems require different solutions.<sup>4</sup>

In November 2017, the Panel held a Segmentation Roundtable as a follow up to the segmentation report published earlier this year.

## **November 2017**

### **About the Legal Services Consumer Panel**

The Panel is a central feature of a regulatory framework in England and Wales, which is designed to transform the legal services market around the needs of its users. Created by the Legal Services Act 2007 we are an independent arm of the Legal Services Board. As a permanent, discrete champion for consumers we have an essential responsibility to ensure that regulators are able to consider and act on the user perspective.

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<sup>2</sup> [The Legal Services Consumer Panel, Experiences of BME groups in legal services, November 2016](#)

<sup>3</sup> [The Legal Services Consumer Panel, Tracker Survey briefing on Wales, November 2017.](#)

<sup>4</sup> [The Legal Services Consumer Panel and the Legal Services Board, Unbundling legal services, September 2015.](#)