Marketing as a Growth Engine

1. Executive Summary

TR Marketing aspires to drive customer growth for the organization. To achieve this goal, we require a robust customer segmentation framework, grounded in data-driven insights and customer behavior. By leveraging this information, we can tailor our campaign messages to specific customer segments, thereby enhancing campaign performance.

As part of our Marketing Internal AI initiatives, we collaborated with Deloitte on a research and development project focused on exploring the potential of AI-driven customer segmentation. This effort aimed to uncover new and innovative ways to create customer segments, and to utilize these insights to optimize our marketing campaigns.

However, we encountered several challenges during this project, which was initially expected to be completed by mid-January but ultimately took 8-12 weeks longer to complete with a reduced scope. Although we successfully developed AI-driven customer segments, we require further testing and iteration to fully test and realize the potential.

This document provides an overview of the key issues that arose, their impact, and proposed solutions based on the lessons learned from the project. By addressing these challenges, we can not only enhance our ability to grow and effectively manage our customer base but also improve operational efficiency and effectiveness, ultimately enabling TR to more successfully pilot and scale future AI-enabled initiatives.
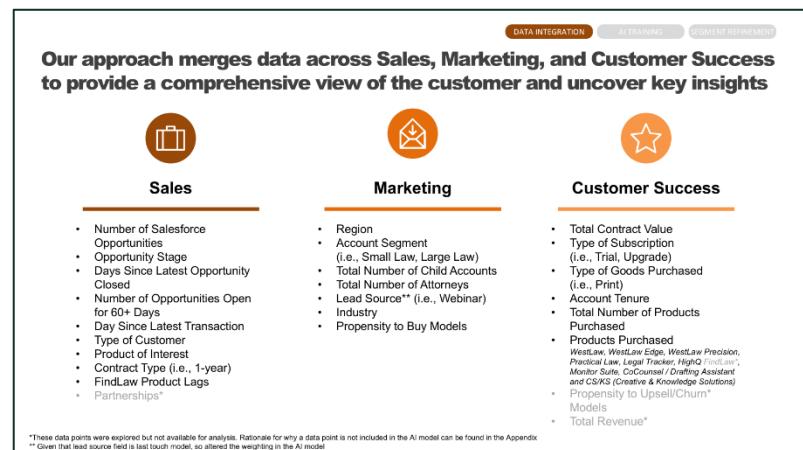
2. Customer Segmentation Program Highlights

Customer Segmentation Design

The customer segmentation effort aimed to break down organizational silos between Legal Professionals, Corporates, and Governments by taking a holistic approach to the 'Legal' Domain, encompassing a broad range of products and cross-functional areas, including marketing, sales, and customer success.

By leveraging data from these areas, we sought to identify and group customers with similar characteristics, and determine the optimal solution set based on factors such as cluster characteristics, product usage, or business objectives.

These defined customer segments would then be used to inform targeted marketing campaigns, enabling more effective engagement and personalized communication throughout the customer buying journey. To support this effort, we utilized Artificial Intelligence (AI) to identify and categorize these customer types, allowing for more precise and efficient segmentation.

DATA INTEGRATION   AI TRAINING   SEGMENT REFINEMENT

Our approach merges data across Sales, Marketing, and Customer Success to provide a comprehensive view of the customer and uncover key insights

Sales	Marketing	Customer Success
• Number of Salesforce Opportunities • Opportunity Stage • Days Since Latest Opportunity Closed • Number of Opportunities Open for 60+ Days • Day Since Latest Transaction • Type of Customer • Product of Interest • Contract Type (i.e., 1-year) • FindLaw Product Lags • Partnerships*	• Region • Account Segment (i.e., Small Law, Large Law) • Total Number of Child Accounts • Total Number of Attorneys • Lead Source** (i.e., Webinar) • Industry • Propensity to Buy Models	• Total Contract Value • Type of Subscription (i.e., Trial, Upgrade) • Type of Goods Purchased (i.e., Print) • Account Tenure • Total Number of Products Purchased • Products Purchased WestLaw, WestLaw Edge, WestLaw Precision, Practical Law, Legal Tracker, HighQ FindLaw*, Monitor Suite, CoCounsel / Drafting Assistant and CS/KS (Creative & Knowledge Solutions) • Propensity to Upsell/Churn* Models • Total Revenue*

*These data points were explored but not available for analysis. Rationale for why a data point is not included in the AI model can be found in the Appendix
** Given that lead source field is last touch model, so altered the weighting in the AI model

Customer Segmentation Model (Sample output from the customer segmentation can be found in Section 5 in the Appendix

After Deloitte ingested our data into their AI tool, they had several meetings with marketing teams to help refine the segments. This AI tool ultimately landed on 12 unique segments across 3 cohorts: active customers, prospective customers, and lapsed customers. Each cohort was further broken down into distinct segments based on firmographic, purchase behavior, open opportunities, and more.

Active customers represent customers with an active legal product subscription. This cohort is comprised of 6 segments such as "Prestige Partners" (High Value firms) and "Lean Litigators" (Inactive Small Law).

Customer Segmentation Overview

The AI models ingested TR's Legal Product [1] customer data (inclusive of Corporations and Government entities) based on account status

1 Active Customers	2 Prospective Customers	3 Lapsed Customers [2]
Represents accounts that currently **have an active** Legal product subscription	Represents accounts that **have never had** a Legal product subscription	Represents accounts that **previously had** a Legal product subscription

The overarching groups were further distinguished and segmented by the following features

Firmographics	Contract Value	Open Opportunities	Purchase Behavior	Top Products

[1] We analyzed and segmented legal product customers using West Law, HighQ, Practical Law, Legal Tracker, Drafting Assistant/CoC counsel and Monitor Suite
[2] We encountered data issues when gathering Lapsed customers, only identifying ~100 Lapsed accounts due to the business logic for classifying an account as "Lapsed"

Prospective customers represent customers that have never owned a legal product, but may own some of TRs other products. This cohort is comprised of 5 segments including "Lawful Leaders" (High-Value Government / Corp SMB's) and "Inactive Informants" (Limited Engagement Corp SMBs)
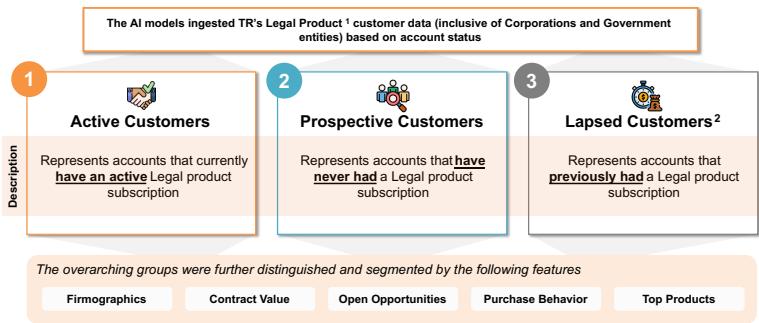
The final cohort, lapsed customers, represents accounts that used to own a legal product but no longer have an active subscription. These firms were bucketed into the "Lapsed Lawmakers" segment.

Each of these segments were tied to a TR marketing-based persona that can be used to understand how we can activate against each segment. We also received a detailed breakdown of each segment including their geographical distribution, breakdown of firm types, examples of accounts that fall into the segment, and more.

The project successfully delivered a sophisticated customer segmentation model, offering a detailed understanding of new types of groupings of customers.

To leverage this model, TR needs to take the next step to use put the model into market by prioritizing the segment activation through targeted marketing campaigns.

3.   Issues Discovered & Experienced:

Our organization is facing significant challenges in defining, collecting, and utilizing customer data, hindering our ability to develop targeted marketing strategies and deliver personalized customer experiences. We are experiencing inconsistencies in customer definitions, limited depth and breadth of customer information, and overly complex data access processes. These challenges have far-reaching impacts, including limiting growth potential, decreasing operational efficiency, and inhibiting innovation. By understanding and addressing these challenges, we can unlock the full potential of our customer data to achieve our business aspirations.

1.   Inconsistent definition of how customers are defined and identified.
    o   **Business Definition of Customer:** We have many 'definitions' of customer (i.e., entity, customer, persona, contact, new sale). We do not all count customers the same way, with different parts of the business thinking of customers differently, leading us to believe we do not have a consistent definition. For example, some functions think about the Parent account, others think about the child account, and others think about the point of contact. Each of these different definitions can lead to confusion across the organization.
    o   **Technical Definition of Customer:** Our systems contain many fields and identifiers associated with customers—account numbers, contact information, contract IDs, names and addresses, tax IDs, etc. It is challenging to map the unique identifier(s) that represent(s) a customer across systems and understand how are all other identifiers related to it. When this information is pulled together in one view, many fields contain NULL (~70% null) or empty values, creating inconsistencies with the amount and type of data we have on each customer.
    o   **Consistency of Application:** Difficult to understand whether rules are consistently applied across customer experiences, systems, business units, data and analytics, and reporting. For example, when

92　we were trying to learn more about non-valued goods vs valued goods represented in the data,
93　different teams had different definitions (and thus likely applications). When we leveraged AI to find
94　themes, we had examples of month-to-month billing in scenarios that didn't seem like it should (and
95　the team continues to research)
96

97　2.　The **limited depth and breadth of our customer information** hinders our ability to develop effective
98　marketing strategies, as we lack a comprehensive customer portfolio, utilizing a current system that:

- o　Fails to accurately segment customers based on their behavior, making it difficult to create targeted campaigns and personalized experiences. Our current segmentation (i.e., Small, Medium and Large Law) anchors on a firm's size, rather than how these customers engage with Thomson Reuters, and therefore misses some key behavioral nuances that can inform targeted marketing campaigns.
- o　Leaves gaps in our understanding of customer needs and preferences, resulting in missed opportunities and inefficient resource allocation – Propensity models (i.e., Account - Practical Law Upsell Decile) have not been updated since 2021 and are still informing the way we engage with customers.
- o　Limits our ability to make data-driven decisions, relying on assumptions rather than insights grounded in customer data – A high percentage (70%) of accounts have a month-to-month contract in our data and yet the business does not know what product these contracts are tied to.
- o　Obstructs our visibility into customer trade-offs and risks, making it challenging to mitigate potential losses and optimize customer lifetime value – Price sensitivity is a huge consideration when purchasing our products. Yet, we don't understand the different sensitivity levels for each of our customers.
- o　Ignores our unique value proposition and differentiators, leading to generic marketing messaging that fails to resonate with our target audience. For example, each client has different wants and needs depending on many factors including firm type (Corporate, Law, Government) and not targeting these customers differently prevents us from fully messaging how our unique differentiators can meet their unique needs.
- o　Hinders our ability to track customer purchase patterns, making it difficult to identify opportunities for upselling, cross-selling, and retention, and ultimately, impacting our ability to drive revenue growth and customer loyalty. Not all product information is tracked in the same way. For example, active subscription flags exist for different tiers but not for Legal Tracker.

124　3.　Our current **data access process is overly complex and time-consuming**, resulting in significant operational
125　inefficiencies, including:

- Average data access request timeline of 10 weeks, exceeding industry benchmarks by 8 weeks.

- Excessive sequence of follow-ups, meetings, forms and approvals required to navigate the process

- Lack of automation and streamlining of data access workflows, leading to manual and labor-intensive processes

- Insufficient transparency and visibility into data access request status, causing delays and frustration for stakeholders

- Increased risk of errors, miscommunication, misunderstanding due to the complexity and manual nature of the process

- Significant opportunity cost, as valuable time and resources are spent on navigating the data access process rather than in the creative space to design & execute value-add customer processes.

The process consisted of several follow-ups, meetings, additional forms and approvals that added 8 weeks to our project

	Pre-Work & Discovery	Permit to Build (PTB)	Permit to Operate (PTO)	Proof of Concept (POC)
Forms*	20+	40+	TBD In Progress	TBD In Progress
Meetings	10+	10+	6+	TBD In Progress
Emails	100+	50+	25+	10+
Process Documentation	None	None and/or Outdated	None and/or Outdated	None
Process Owner(s)	~2	~3	~4	TBD In Progress
Approvals	30+	20+	4+	TBD In Progress
Duration	8+ Weeks	6+ Weeks	5+ Weeks	TBD

Key Impact

Cycle Time
60+ Hours spent troubleshooting

Delivery
8+ Weeks added to scope of work due to unforeseen roadblocks

141　**Impacts of the Issues:**

- *Limits Growth Potential:* Challenges with our customer information limits the growth potential of not only the marketing organization but also sales and service.
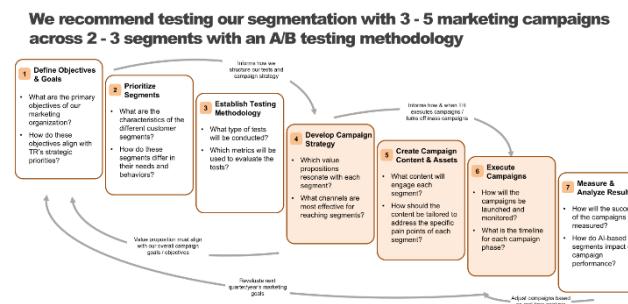
- *Competitive Impact:* Complex data access procedures do not allow TR to be as nimble in addressing customer needs as compared to competitors that leverage advanced data analytics and technology to gain insights and optimize their operations.

- *Decreased Operational Efficiency:* Inefficient data processes and outdated technology slow down operations, leading to increased processing times, bottlenecks, and higher operational costs.

- *Inhibited Innovation:* Lack of proper data infrastructure reduces innovation by making it more difficult to analyze trends, understand customer needs, and develop new products or services.

4. Proposed Next Steps

To address our customer information management challenges and drive business growth, we propose a comprehensive approach with three key components. First, as part of Project Panther, we will test the model's impact on select prioritized segments and measure its effectiveness against baseline campaign performance. Second, we recommend streamlining data access and management processes and implementing a centralized data solution to drive operational improvements. Finally, to achieve our 2027 vision for growth and revenue, we suggest a 3-phase process to integrate customer information with a broader ecosystem of capabilities and customer experiences, ultimately leading to an Enterprise Program Commitment (EPC) request for 2026 and 2027.

Put the model into market (as part of Project Panther) to test impact

- Select 2-3 prioritized segments to activate against
- Develop a test plan for selected prioritized segments within the next 60 days (including pausing current mass campaigns for those segments due to current persona over-saturation)
- Activate campaigns and measure results against baselined campaign performance

We recommend testing our segmentation with 3 - 5 marketing campaigns across 2 - 3 segments with an A/B testing methodology

Improve data access & management operations to improve nimbleness and team efficiency

- Clear and Up-to-Date Documented Processes: Take inventory of existing documentation and update where required, build process maps to understand current data approval and workspace workflows and identify bottlenecks/redundancies.
- Easy to Use Self-Service Portals: Evaluate the data owner structure and training materials to identify opportunities for increased specificity and clarity.
- Clear and Accurate Single Solution: Migrate data sources across marketing, sales, and customer success functions to a centralized location (i.e., CDP as the single source of truth across all data). Analyze the current approval process to centralize data approvals/access, streamline the approval chain, and standardize workflows.

Establish an enterprise cross-functional program centered on the customer

In order to support the growth sales & revenue aspirations for our 2027 vision, customer information must be integrated with a whole ecosystem of capabilities and customer experiences.

We recommend establishing an enterprise cross-functional program centered on the customer with a 3-phase process to deliver on the understanding, strategy and roadmap to achieve this outcome culminating in an EPC request for 2026 and 2027.
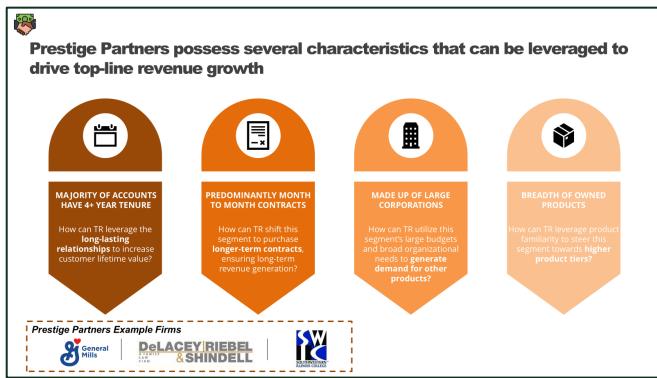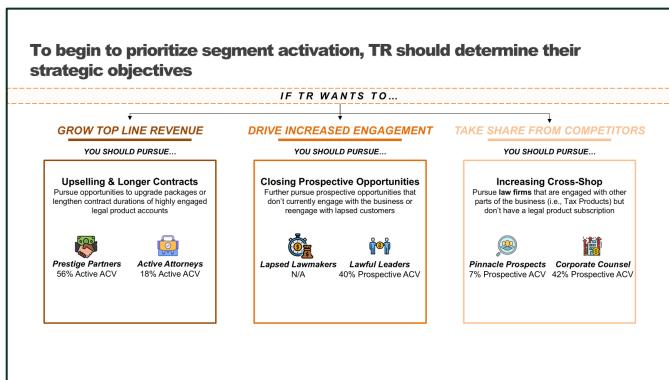
1. **Assessment:** Understand the current state of business concepts, processes, customer experiences, data, and systems related to "customer" account and customer data management; and analyze findings to produce an accurate, holistic articulation of current state and its issues and opportunities relative to business objectives & reference customer architecture.

2. **Strategy:** End-State Capabilities and Outcomes; Build on the current state analysis to articulate the key capabilities needed to achieve business objectives, high-level future-state processes, required roles and organizational changes, and key customer integration architecture requirements.

3. **Roadmap:** Lay out the logical steps towards achieving the future-state capability model. Projects and initiatives deliver new capabilities. The roadmap is the collection of required projects, sequenced by dependencies and prioritized needs, and subject to constraints including budgets, operational capacity, and capacity for change. Where there are key milestones, decision points, and value realization opportunities, they are called out

5. Appendix: Customer Segmentation Deliverable Samples

Segment Breakdown: Prestige Partners

SUMMARY OF PRESTIGE PARTNERS

- This Segment represents **highly-engaged firms** with open opportunities and **high annual contract value (ACV).** They maintain a large number of active subscriptions and own a **diverse portfolio of products**
- While this Segment has split regionally, when it comes to in-person events and conferences, focus on the **West and Northeast coasts**
- This Segment presents strong potential for **cross-selling and deeper engagement**
- Holding mostly **monthly contracts,** this Segment should be shepherded towards longer durations
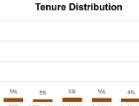
DEFINING FEATURES

Industry Distribution

- Unknown (12%)
- Government (19%)
- Legal (25%)
- Corporate (44%)

Tenure Distribution

EXAMPLE COMPANIES
Note: Actual accounts in this Segment

General Mills | DeLACEY|RIEBEL & SHINDELL

ACTIVE PROSPECTIVE LAPSED

How does this segment fit into TR's Landscape?

Persona 1: Economic Buyer, Chair

Channel	Product Needs	Messaging
• Roundtables	• Improves Operations	• ROI
• International Events	• Ease of Adoption	• Vendor Stability
• Newsletters		

Persona 2: Functional Buyer, Managing Lawyer

Channel	Product Needs	Messaging
• Conferences	• Quick & Cost-Effective Execution	• ROI
• Vendor Emails		• Efficiency
• Peer Networks	• Internal Satisfaction	

Persona 3: Technical Buyer, Legal Tech Director

Channel	Product Needs	Messaging
• Peer Networks	• Customization Opportunities	• Sandbox Trials
• Podcasts	• Cybersecure	• Tailored Training
• Conferences		• Quality Service