

Identifying & Reaching Your Super Customers

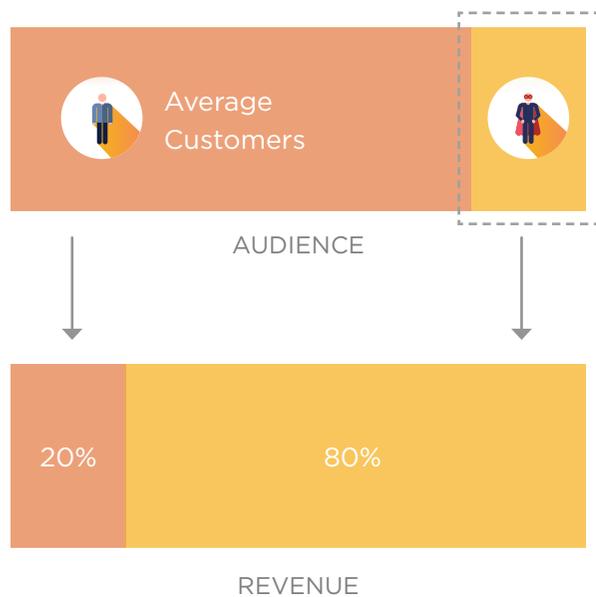


hitwise
UK Edition

INTRODUCTION

Most marketers are familiar with the **80/20 rule**.

80% of your engagement and revenue comes from 20% of your audience.



This small but mighty group are “**super customers**”.

Whether your ratio is actually 70/30 or 85/15, acquiring and retaining super customers will yield your company higher ROI.

Of course, that is if you know *who* your super customers are, and *how* to reach them. This report will show you how to do exactly that.

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There are many different types of super customers. Some visit your website frequently, while others are loyalty card members. Each chapter walks through how to identify, engage and bring these different levels of super customers back to you.



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CHAPTER ONE

Identifying Opportunities

When audience engagement is better than volume

Audience engagement vs. volume

When it comes to measuring online engagement, it's important to look beyond audience size and traffic volume.

The following example shows why this is the case for Gymshark.

Recently winning [Draper's Best Pureplay Etailer under £50 million in turnover](#), Gymshark has carved itself a keen millennial following in the crowded sportswear space.

If we only look at volume-based metrics, such as unique users and audience reach, Gymshark attracted a larger number of females, who are 18-24 yo renters.

But when we delve into engagement metrics, a different profile arises. 18-24 yo Male Renters were actually more engaged with Gymshark's site. Over a span of 4 weeks, Males visited 4 more times and spent an additional 1.5 minutes on Gymshark's site than Females.

So what? Your largest audience isn't always your best and most-engaged!

Engagement on Gymshark.com
By Audience (18-24 yo Renters)



Metric	18-24 yo Female Renters	18-24 yo Male Renters
Unique Users	1,748	1,245
Audience Reach	2.32%	1.46%
Average Visits / User	3.4	7.0
Average Time / Visit	3m 14s	4m 43s



Gymshark reaches a larger pool of 18-24 yo Female Renters



But 18-24 yo Male Renters spend longer and return more often

Combining demographics and attitudes

Hone into your digital engagers by combining demographics with attitudes and behaviours.

Uniqlo predominantly attracts females aged 25-34 yo to their site. However, many micro-segments exist within this broad demographic.

The beside chart shows how engagement differs for 25-34 yo Female “Label Seekers” (i.e. wear designer labels, spend a lot on clothing and choose label over comfort) and “Comfort Seekers” (i.e. choose comfort over label and don’t care about the latest trends).

Over a span of 4 weeks, Uniqlo attracted over 13,000 “Label Seekers”, which was 5.8% of their online audience.

Although smaller at 5.5% of Uniqlo’s online audience, “Comfort Seekers” were more engaged and active on their site. This segment had a higher return rate, spend over a minute longer per visit and visited 2 more pages on average.

Engagement on Uniqlo.com
By Audience (25-34 yo Female)



Metric	25-34 yo Females Label Seekers	25-34 yo Females Comfort Seekers
Unique Users	13,300	12,582
% to Uniqlo’s Size	5.81%	5.50%
Average Visits / User	4.1	4.5
Average Time / Visit	5m 57s	7m 9s
Average Pages / Visit	9	11



Higher share
among Designer
Labels



Higher
engagement
among Comfort
over Labels

ACTION STEPS: Engagement metrics, such as frequency, time and pages per visit, unveil who is truly interested in your brand. In the next chapters, we detail how brands can then reach and convert more Super Customers.



CHAPTER TWO

Reaching Your Super Customers

How to use search and clickstream data

Segmenting by frequency

In this chapter, we use a key engagement metric, frequency, as the starting point to defining and, ultimately, targeting Super Customers.

The ability to demonstrate reader engagement is absolutely critical to the News & Media industry. The following example looks at frequency for a leading UK news provider.

Over span of 12 weeks, this news provider was able to see that Low Frequency readers (1 time/week) were almost 10 times the size of their High Frequency readers (5+ times/week), with Mid Frequency readers (2-4 times/week) almost 3 times that size.

Armed with this knowledge, the news provider then wanted to know:

- How can we keep our high frequency readers engaged?
- What are the interests of our lower frequency readers?
- How can we convert our low frequency readers through relevant content and targeted digital channels?

Segmentation by Number of Visits For a Leading UK News Provider



High Frequency
5+ times per week
35,388 unique users



Mid Frequency
2-4 times per week
99,085 unique users



Low Frequency
1 time per week
322,872 unique users

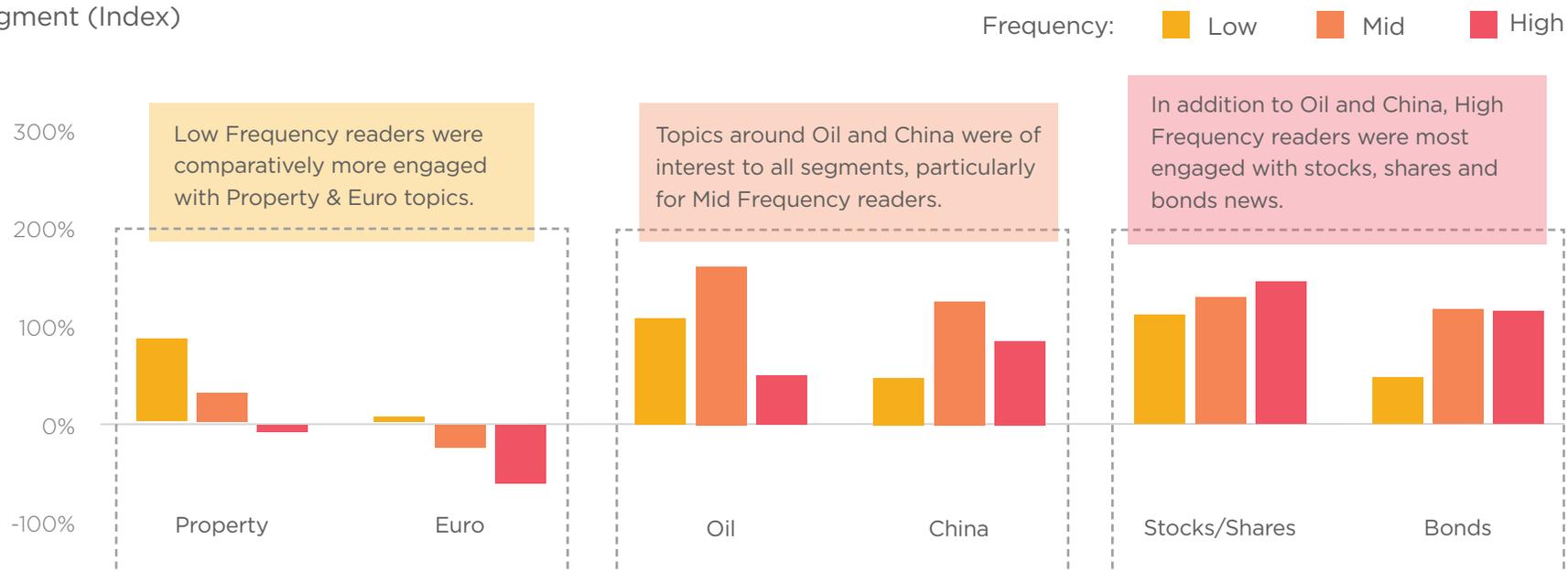
Identifying audience interests through search

A way to identify your differing segments' needs and interests is through search.

The below chart looks at top search topics by Low/Mid/High Frequency readers that led to Business publications. We can see that Low Frequency readers were more engaged with Property topics (88% more likely to search for, compared to the general online population), Mid Frequency readers were most interested in Oil (212% more likely), and High Frequency readers were most engaged in Stocks & Shares (147% more likely).

The news provider could then feature articles on stocks, shares and bonds to retain their highest value readers, or feature articles on property to engage their lower value readers.

Search Topics to Business & Finance sites
By Segment (Index)



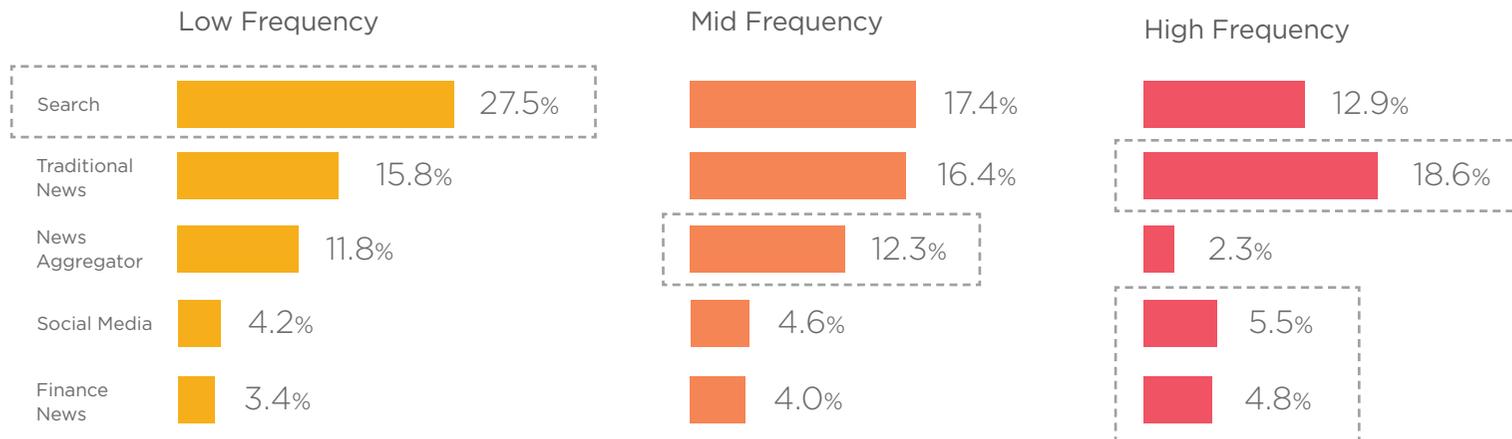
Pinpointing where to advertise your content

Where can you attract your segments? An analysis into traffic sources helps determine this.

Low Frequency readers relied the most on Search, whereas Mid Frequency readers relied the most on News Aggregators, before entering the new provider's site. High Frequency readers, instead, utilised Social Media as well as swapped around other traditional and finance news providers. Therefore, to retain their high frequency readers, the news provider could feature a video snippet on the latest update on stocks and shares on Youtube.

To attract the Low Frequency, the provider could optimise their SEO by featuring relevant content on Property and Euro/Pound. To gain more Mid Frequency readers, ensure articles on Oil prices and China business are featured on Google News and aggregators, like News Now.

Traffic Sources by Segment (% share)



To engage lower frequency readers, target Search and News Aggregators.

To retain High Frequency readers, target Social Media.

ACTION STEPS: Use frequency as a starting point to define your Low to High Value Customers. Combined with search and clickstream data by segment, a brand can then develop relevant content and select the best channels to advertise on.



CHAPTER THREE

Nurturing Your Loyalists

How to keep your “exclusive” exclusive and migrate your overlap

Looking at loyalty by exclusivity and overlap

The past year has seen a string of mergers and acquisitions rock the retail landscape, from Sainsbury and Argos, Tesco and Booker, Amazon and Whole Foods, to potentially Sainsbury and Asda.

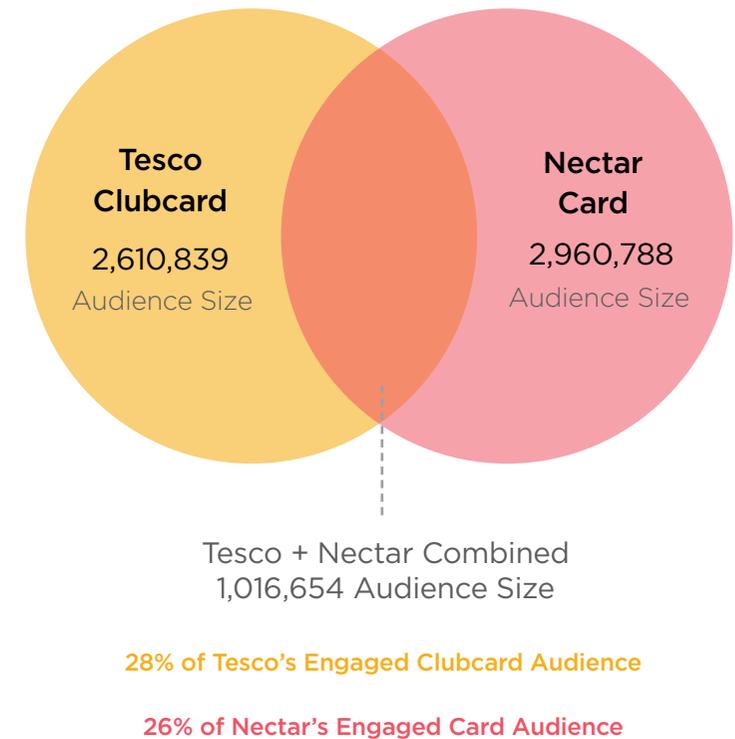
As a manufacturer brand, competitor or even retailer in mention, it's become more important than ever to retain your loyal customers. But, according to Deloitte research, the average consumer holds 14 different loyalty cards. So, how can a brand attempt to keep their exclusive loyalists exclusive?

By firstly analysing where else your customers' loyalties lie. The beside chart shows Tesco vs. Nectar Card holders who have engaged with their respective sites over a 4 week period. Both have similar audience sizes and share over one-quarter of their loyalty audiences.

In this chapter, we look at what Tesco can do:

- How can Tesco profile their loyalists and overlap audience?
- How can Tesco keep their exclusive loyalists exclusive?
- How can Tesco migrate their overlap audience?

Engaged Tesco Clubcard vs. Nectar Card Audience Overlap



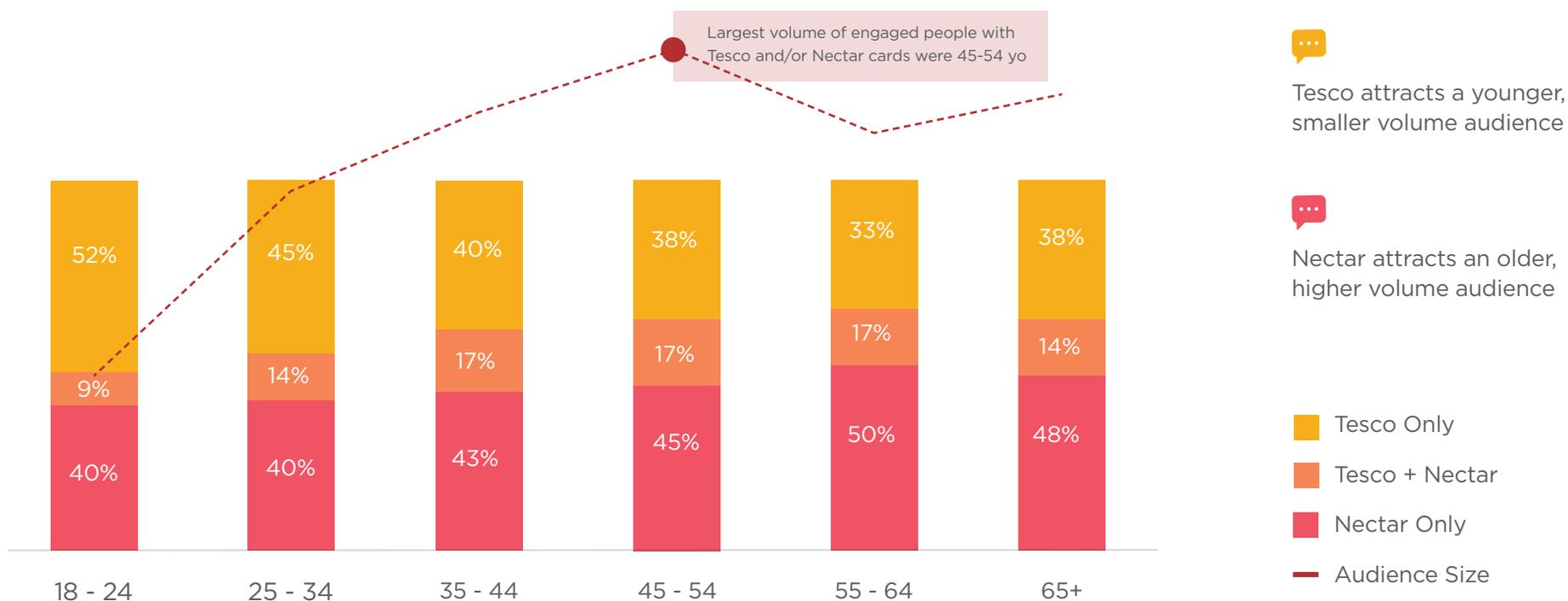
Profiling your loyalists

Firstly, let's understand who Tesco's and Nectar's loyalty audiences are – both exclusive and shared.

Over a 4 week period, Tesco's exclusive loyalists attracted a higher share of younger people aged 18-34 yo, compared to Nectar's exclusive loyalists.

Nectar, on the other hand, attracted a higher share of older audiences, particularly aged 45-54 yo, which had the greatest volume of 1.4 million people.

Engaged Tesco Clubcard vs. Nectar Card
By Age Group (% Share and Size)



Identifying your loyalists' unique interests

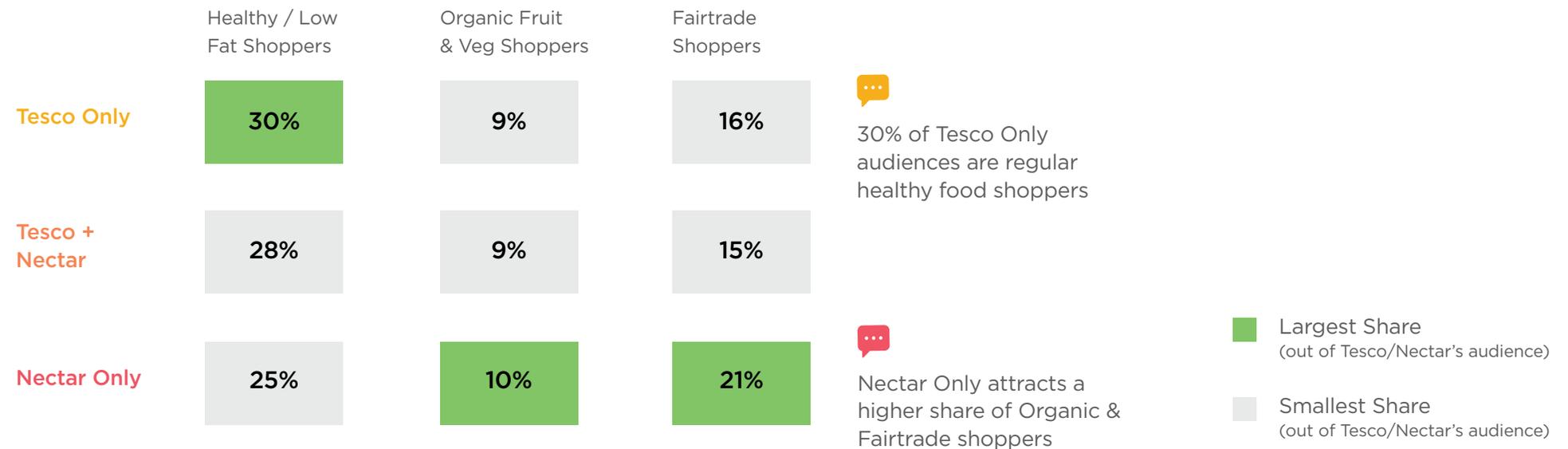
Secondly, understand how the needs of each segment differ.

The below chart overlays the three segments with shopping habits, self-identified as a:

- Regular healthy food/low fat shopper
- Regular organic fruit and veg shopper
- Regular Fairtrade shopper.

Based on this overlap, we can see that 30% of exclusive Tesco loyalists are regular healthy food shoppers, the highest compared to Nectar groups. In contrast, exclusive Nectar loyalists has a higher share of organic fruit and veg and Fairtrade shoppers.

Engaged Tesco vs. Nectar Card Holders
By Shopping Habits (% share of segment)



Understand why they choose you

Known interests can sometimes differ with actual behaviour, such as search. The third action would be to understand why your loyalists go to you.

Whilst Tesco's exclusive loyalists mostly identify themselves as regular health food / low fat shoppers, this audience also looks for the occasional treat. Searches into Tesco's Groceries site included Reece sweets, sausages and mince, as well as garden furniture on Tesco Direct site.

Tesco & Nectar's combined audience, instead, went to Tesco's site for low calorie and birthday foods, as well as garden and home appliances.



Feed these products into rewards to delight your exclusive loyalists



Entice your shared audience with personalised offers

Over-Indexed Searches, Ranked by Reach Going to Tesco Sites

Tesco Only

	On Tesco Groceries	On Tesco Direct
1.	Heck Sausages	Rattan Garden Furniture
2.	Soya Mince	Gas BBQ
3.	Edamame Beans	Sun Loungers
4.	Reece Sweets	God of War
5.	Jack Daniels	PS4

Tesco + Nectar

1.	Grape Juice	Garden Furniture
2.	Low Calorie Seeds	Fridge Freezer
3.	Pink Gin	Garden Bench
4.	Party Platters	Washing Machine
5.	Birthday Cake	Mini Fridge

Understand why they *don't* choose you

This analysis can also be applied to your competitor's site.

In contrast, Tesco & Nectar's combined audience went to Sainsbury's for oriental ingredients and Argos for bedding. So, as a quick "win back" tactic, Tesco could then feature personalised offers for the overlap profile.

Over the same period, exclusive Nectar loyalists searched for low sugar and gluten free products on Sainsbury's site. Tesco could also keep tabs on Nectar's loyalists for potential conquering tactics.



To "win back" your overlap, feature personalised offers



Keep tabs on competitor's loyalists for conquering tactics

Tesco +
Nectar

Over-Indexed Searches, Ranked by Reach Going to Sainsbury's/Argos Sites

	On Sainsbury's	On Argos
1.	Stir Fry Ingredients	Small Double Bed
2.	Honey Nut Oatmeal	Vax Cylinder Hoover
3.	Bold Washing Powder	No Carbs Protein Bars
4.	Courgetti	Airbed
5.	Teriyaki Sauce	Garden Bench

Nectar
Only

1.	Scent Free Washing Powder	Retractable Washing Line
2.	Best Supermarket Red Wine	Dyson
3.	Low Sugar Yogurt Brands UK	iPhone 6
4.	Bread Free Yeast	Gaming Laptops
5.	Gluten Free Pastry	Mattress

ACTION STEPS: Loyalty members are perhaps your most powerful super customers — but many have multiple rewards programs. Focus on the behaviours and attributes of your exclusive rewards members, in order to better attract and target more people like them.

KEY TAKEAWAYS



Identify new opportunity segments by considering alternative engagement metrics, besides just visitation.

Looking at data points like time spent, page views per session and time share can shed light on audiences that are highly engaged with your brand.



Knowing your customers is important, but knowing your super customers is crucial.

Use engagement metrics, like frequency, as the starting point to identify your high value customers. Know what types of content resonates and through which channels to best retain this audience.



Measuring loyalty member overlap can help you focus on your most devoted members.

Particularly in retail and groceries, personalise your offers and promotions to delight your most loyal. Do so through identifying their “known interests” and “actual behaviour”, such as through search.

Ready to identify **your** Super Customers?

hitwise will help you uncover hidden opportunities
and higher-ROI customers.

GET IN TOUCH



METHODOLOGY

CHAPTER 1

Page 4: Hitwise and Experian Mosaic Groups.
Audience = Visited uk.gymshark.com, aged 18-24yo,
in Mosaic Group - Rental Hubs, Female vs. Male.
Period = 4 rolling weeks to 05-May-2018.

Page 5: Hitwise and Kantar Media TGI. Audience =
Visited Uniqlo.com, Females aged 25-34 yo, and TGI
variables related to retail consumption. Period = 4
rolling weeks to 05-May-2018.

CHAPTER 2

Page 6: Source: Hitwise, Audience = defined by
frequency of visits per week, over a span of 12 weeks
for a leading news provider.

Page 7: Hitwise, Audience = defined by frequency of
visits per week, over a span of 12 weeks for a leading
news provider. Searches (aggregated by topic) going
to Hitwise's Business & Finance Industry. Index is
compared to standard online population.

Page 8: Hitwise, Audience = defined by frequency of
visits per week, over a span of 12 weeks for a leading
news provider. % traffic per category channel, going
into the news provider's site

CHAPTER 3

Pages 9-13: Hitwise and Kantar Media TGI. Variable
= If Tesco Clubcard or Nectar Card and has been
used in the past 3 months AND have visited Tesco/
Sainsbury's or Argos' website within reporting
period. Period = 4 rolling weeks to 05-May-2018.