ticketsolve Academy

Segmentation

Finding the perfect model for your audiences

Join Nick on Wednesday the 16th June as he takes you through everything you need to know about segmentation; what it is, what different types are out there, arts specific models and how to implement a successful segmentation strategy within your organisation.

Tuesday 15th June 10:30am

What We'll Cover

The Importance of Segmentation

The different types of segmentation

Segmentation Models within the Arts

Implementing Your Segmentation Model

How to Target These Segments

The Importance Of Segmentation

Segmentation is a no brainer, there are countless articles, papers and blogs on the value of segmentation and its role in increasing customer engagement and return on investment from your campaigns.

Take email automations as an example...

Segmentation in Email Automation

Emails to first time customers, lapsed customers and best customers

We found that these email campaigns were very powerful and organisations saw great return from them.

32.8% open rate from lapsed attenders and 13.3% click through rate from first time customers

You can read more about email automation and segmentation in our The World of Email Automation whitepaper

Segmentation and Traditional Marketing Mix

Segmentation doesn't just work for email campaigns either. You can use segmentation in your traditional marketing mix as well like your brochures and direct mailers. Implementing simple segmentation to these types of activities delivers great results in customer engagement, as well bringing much appreciated cost savings in marketing budgets.

Mansfield Palace Theatre

Mansfield Palace completed a simple segmentation exercise with their season brochure.

They sent to two different segments.

Segment A - customers who purchased in the last year
Segment B - customers who had purchased in the last there years but not in the last year

Mansfield Palace Theatre

Segment A - 32% ROI

Segment B - 0% ROI

Result - A savings of 40% per year on their brochure and mailing costs.

Different Types of Segmentation

All this talk about segmentation sounds great, but if you are wondering which one to use, you aren't alone. It's a question we hear time and time again, and (maybe annoyingly) there is no right or wrong answer. It all comes down to your particular audiences and what works best for your organisation. There are a few different ways in which you can quickly segment customers within your database, these include Demographic, Geography, Psychology, Behavioural and Relationship. Let's take a look at each one....

Demographic Segmentation

Using demographics, we can segment audiences based on age, race, religion, gender, family size, ethnicity, income, and education. Demographics can be split into several sub-segments to help target your audiences more accurately. With this type of segmentation you can categorise the needs of audiences.

Demographic Segmentation

01

Pros

Readily available through data sources such as the Government Census data

Data is freely available

You can collect your own data by using customer surveys

02

Cons

It's based on assumptions

Demographic information is too vague; does not go into the fine detail about who they are as a customer

It can alienate people as it is based on facts that are shallow and redundant

Getting this segmentation into your CRM can prove a little tricky as it's usually anonymised

Geographic Segmenation

Geography is another simple way of segmenting your customers. You can do this at a macro level, i.e., England, Wales, Scotland, Ireland or you can segment them into finer segments such as postcode level. You can also include both macro and micro level segments within your database meaning you can target a country for one campaign, and then flip to targeting postcode on another.

Geographic Segmenation

01

Pros

Easy to implement has since the data is within your CRM database

Cost effective

Can target customers that are in your locality which could reduce marketing costs

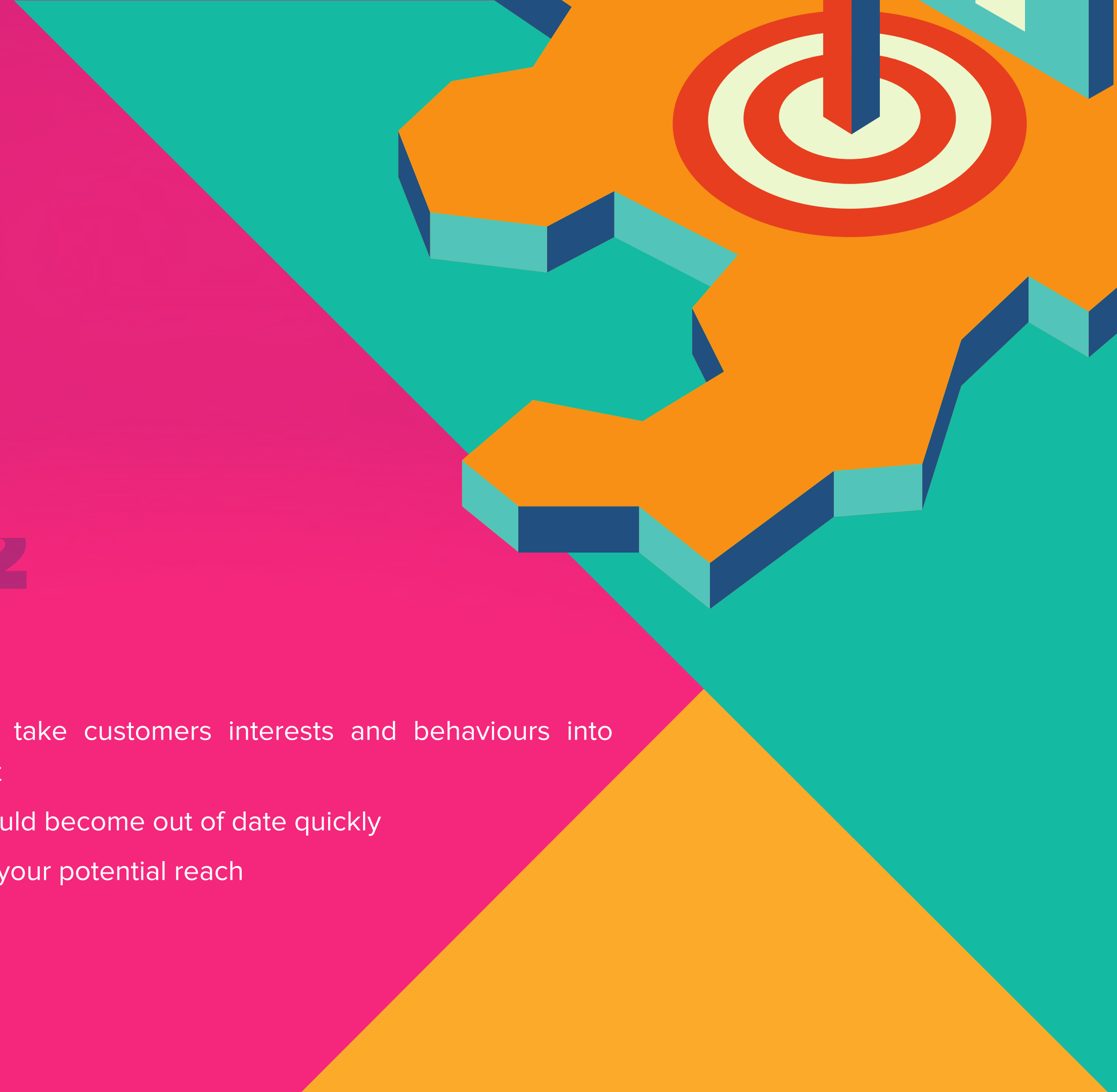Can implement drive time based campaigns

02

Cons

Doesn't take customers interests and behaviours into account

Data could become out of date quickly

It limits your potential reach

Psychological Segmentation

Psychological segmentation divides your customers into subgroups based on shared psychological characteristics, including subconscious or conscious beliefs, motivations and priorities to explain and predict consumer behavior.

Psychological Segmentation

01

Pros

Can provide great return on investment as you are targeting customers based on their beliefs and motivations

Allows marketers to get creative with campaigns that target each segment

02

Cons

Difficult to implement as each customers would need to complete a psychological survey

Customers beliefs and motivations can change over time

Costly to execute

Relationship Segmentation

Relationship based segmentation is exactly that, segmenting your audiences based on how they interact with your organisation. This is fairly easy to implement within your CRM as you have all that data to hand. Some groups within this type of segmentation could include one-time purchasers, regular ticket buyers, first time customers, lapsed customers, members and donors.
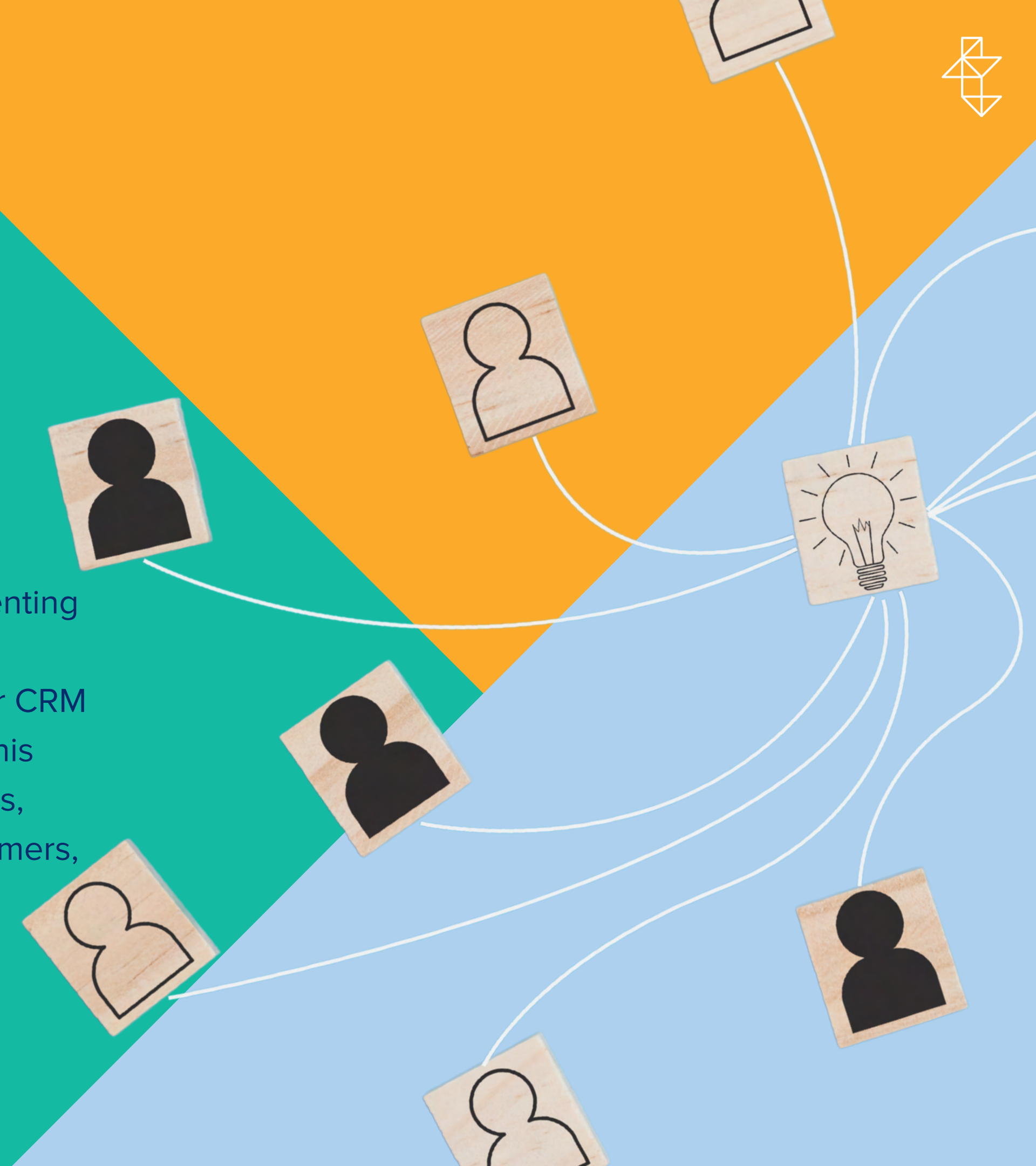
Summary

Those are the five main types of segmentation that you can use in your organisation. There is of course nothing to stop you from using all of them or any combination of them that suits you. For example, you could do a combo of Behavioral and Geographical segmentation on your audiences. Our advice would be to look at each one and decide on what you think would work for you, and how easy it is to implement. We would also suggest to use the KISS method - Keep It Simple Stupid!

In the next section we will take a look at what segmentation models are out there specific to the arts and how you can start to use them.

Segmentation Models within the Arts

In the next couple of slides we have listed a number of industry leading segmentation models. Each one is very different in its approach and execution. You can click on the link listed at each model to find out more about them:

experian™

Total Audience

CACI   ac>rn

audience spectrum

Culture Segments

Acorn

Geo-Demographic Segmentation

Acorn is used to understand consumers' lifestyle, behaviour and attitudes, together with the needs of communities and is important to both private sector and public service organisations. It is used to analyse customers, identify profitable prospects, evaluate local markets and focus on the specific needs of each catchment and neighbourhood.

Caci - more information

Culture Segments

Psychological Segmentation

Culture Segments is a powerful psychographic segmentation tool to help you better understand and engage with your attenders and non-attenders.

Used by performing arts venues, zoos, galleries, museums and heritage organisations of all sizes, it is driving audience and visitor development around the world.

**Morris Hagrives and Mcintire - more information**

Mosaic Profiling

Socio-Demographic Segmentation

Mosaic is a powerful cross-channel consumer classification system built for today's multi-channel world. It has evolved to help you understand your customers' likely characteristics and communicate with them in the most relevant ways.

It allows you to ensure you are relevant to them, so you can reach the right people with the right message at the right time — every time.

Experian - more information
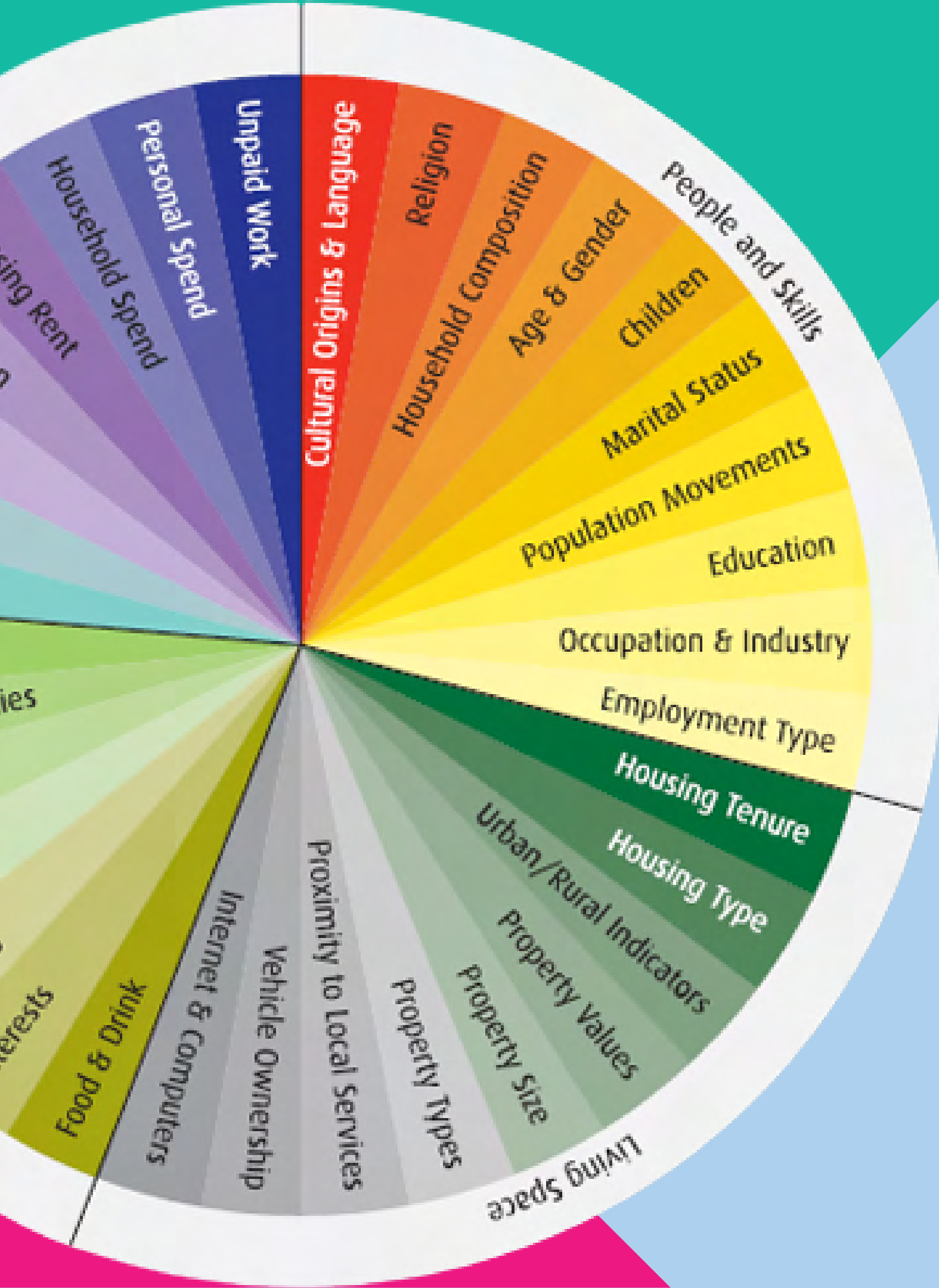
Audience Spectrum

Demographic Segmentation

Audience Spectrum segments the whole UK population by their attitudes towards culture, and by what they like to see and do. There are 10 different Audience Spectrum profiles that you can use to understand who lives in your local area, what your current audiences are like, and what you could do to build new ones.

**The Audience Agency - more information**

Total Audience Model

Behavioral Segmentation

The Total Audience model is a segmentation based on your audiences behaviours. It looks at what customers have purchased in the past and segmenting them into five separate groups, these being:

Indigo Ltd - more information

Total Audience™ Model

Classic

Contemporary

Mainstream
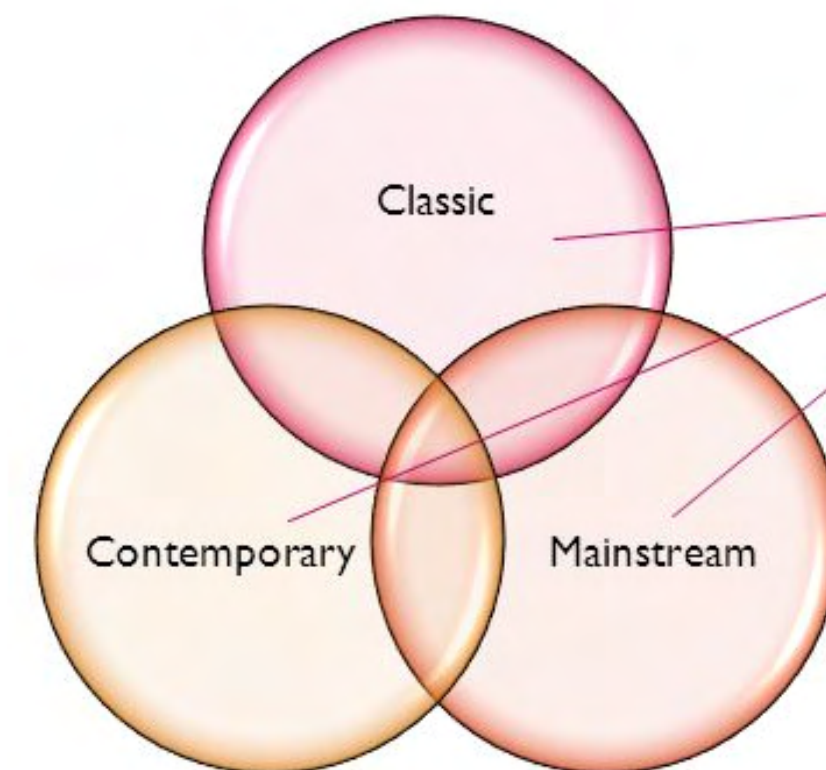
Family: These audiences are your families with children. They are coming only occasionally and are looking forward to spending family time together.

Classic: Audiences that are interested in classical music, opera, ballet, fine art and classical drama. They are likely not going to take risks and are artistically driven.

Mainstream: Looking for a great night out with friends, partners or even their families these audiences will choose rock and pop performances, comedies or musicals.

Contemporary: This segment are your risk takers, the audiences that are interested in new experiences. Think new works of art, dance, devised theatre and new writing.

Crossovers: These audiences are only 5-10% of your bookers, but they are attending a lot and are loyal to your venue. These are patrons who like a lot of different things and tend to book 'a little of everything.'
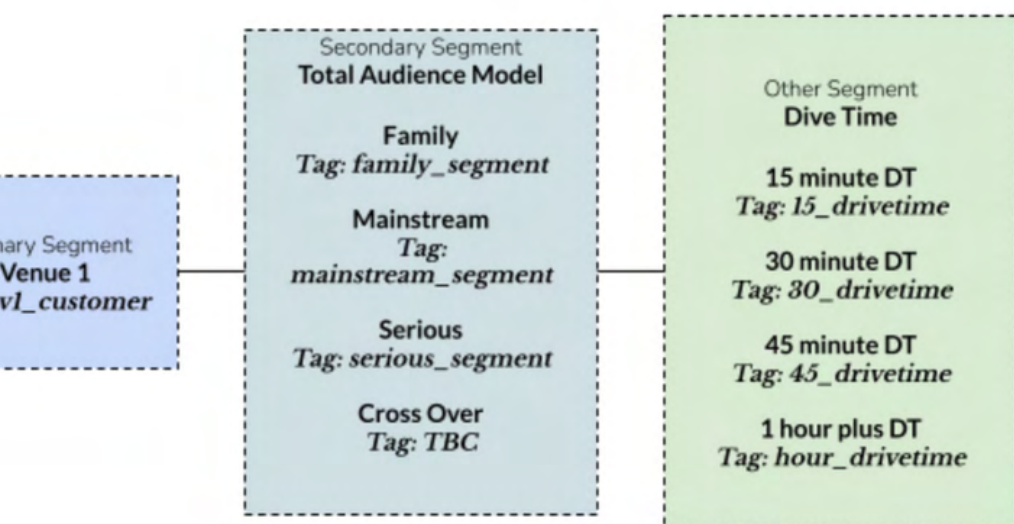
Implementing Your Segmentation Model

In the next couple of slides we have listed a number of industry leading segmentation models. Each one is very different in its approach and execution. You can click on the link listed at each model to find out more about them:

Map It Out

It may take a lot of work and collaboration to decide what segmentation model will work best for you. When you do decide on the right one, it's important to implement it in a consistent manner across your organisation. Before you do anything within the CRM system, we suggest you start mapping out your different segments so that everyone is on the same page. We have created a Segmentation Worksheet that will help you start planning the execution of your chosen segmentation model.

Segmentation Worksheet

ticketsolve

Worksheet

your segmentation model working within your organisation. The example below is of an
y segmentation to start is by venue, then you can start segmenting using the model you have
u can use your chosen model as the primary segment.

Secondary Segment
Total Audience Model

Family
Tag: family_segment

Mainstream
Tag:
mainstream_segment

Serious
Tag: serious_segment

Cross Over
Tag: TBC

Other Segment
Dive Time

15 minute DT
Tag: 15_drivetime

30 minute DT
Tag: 30_drivetime

45 minute DT
Tag: 45_drivetime

1 hour plus DT
Tag: hour_drivetime

ary Segment
Venue 1
vl_customer

ktickets@ticketsolve.com | UK: (+44) 01865 987667 | IRE: (+353) 015240954

Audience Spectrum Example

Ticketsolve has a full integration with the Audience Agency so the implementation of this model is fairly straight forward. If you use Audience Finder through Ticketsolve, the Audience Agency will automatically pull data from your Ticketsolve system into their database for reporting purposes. In addition, the Audience Agency will pull anonymised customer data meaning that they are able to segment your database into their 10 different segments

Typically 80-90% of the audience sticks to one strand.

INDIGO
intelligence income impact

Total Audience Model

This model is pretty straightforward to implement but it does require a little bit of housekeeping before you start. We would suggest that you give your database a good clean before starting. Take a look at duplicate records using the de-duplication tool within Ticketsolve and think about maybe deleting customers who have not purchased tickets for a number of years. We find that keeping customers who have purchased tickets in the last 3 years is adequate enough. Once you do that, follow these steps:

Typically 80-90% of the audience sticks to one strand.

INDIGO
intelligence income impact

Total Audience Model Example

Step 1

Code Your Events

As this model is a behavioral based segmentation model, you will have to tell the system how you would like each event categorised. There are five different types of categories that you will have to split your shows into, these are: Family, Classic, Mainstream, Contemporary and Crossover.

Step 2

Tag Your Customers

Now that the event codes have been uploaded into the system, you are able to pull reports within Your Reports and tag each customer with the relevant tag that you decided upon when completing the Segmentation Worksheet.

Targetting Your Segments

Now that you have segmented your audiences with your chosen segmentation model it is now time to start targeting those customers. To do that we suggest the following workflow:
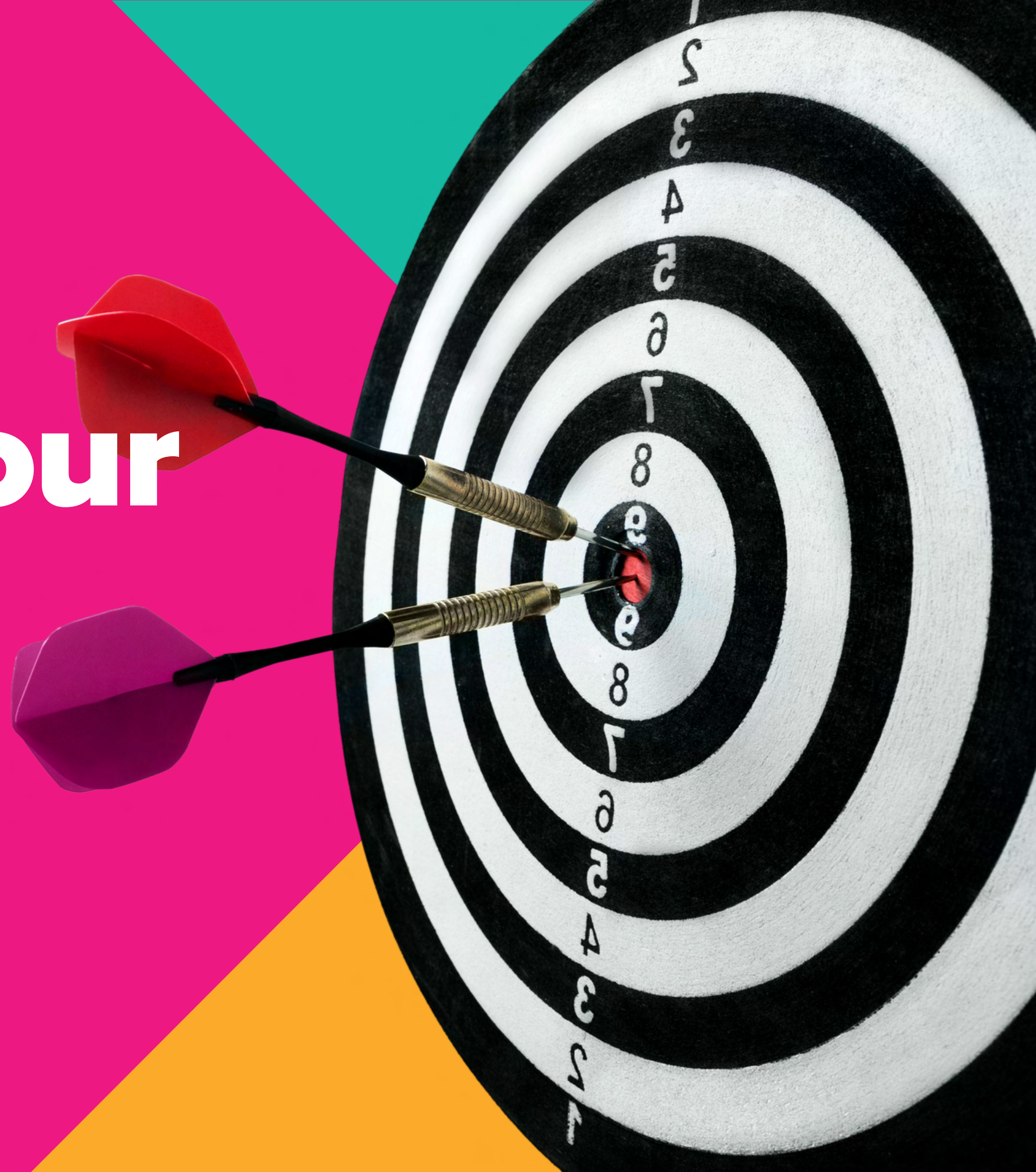
Build Personas

Groups of customers tend to be similar depending on what they come and see. This is really helpful when building a campaign plan as you will be able to replicate a simple template that can be used across similar events or categories of events. Take for example the Family segment within the Total Audience Model. You can quickly get to know who that type of target audience is, their interests, what they like, what they don't like, what type of language they listen to etc.. This will give you the ammunition to build a simple campaign template for this particular segment.

Track Your Campaigns

Whether online or offline communication, we highly recommend that you track your campaigns so that you can see if they are working or not. This is easy to do online with our Google Analytics integration and its robust tracking capabilities. Offline can be a little trickier, but you can do it using Ticketsolve's Customer Campaigns tool.

Create Your Target Audience

Finally you will need to pull a list of your target audience. This is done in Your Reports using the filter "customer with tag" and choosing the correct tag. You can also use multiple fields such as date range and customer total revenue to segment that list a little more if needed. Once you have the list, you can either download into a CSV to target customers via traditional methods. You can also use the Customer Email Lists to target those customers via email communication.

Any Questions?

Speak now of forever hold your peace!