Simon

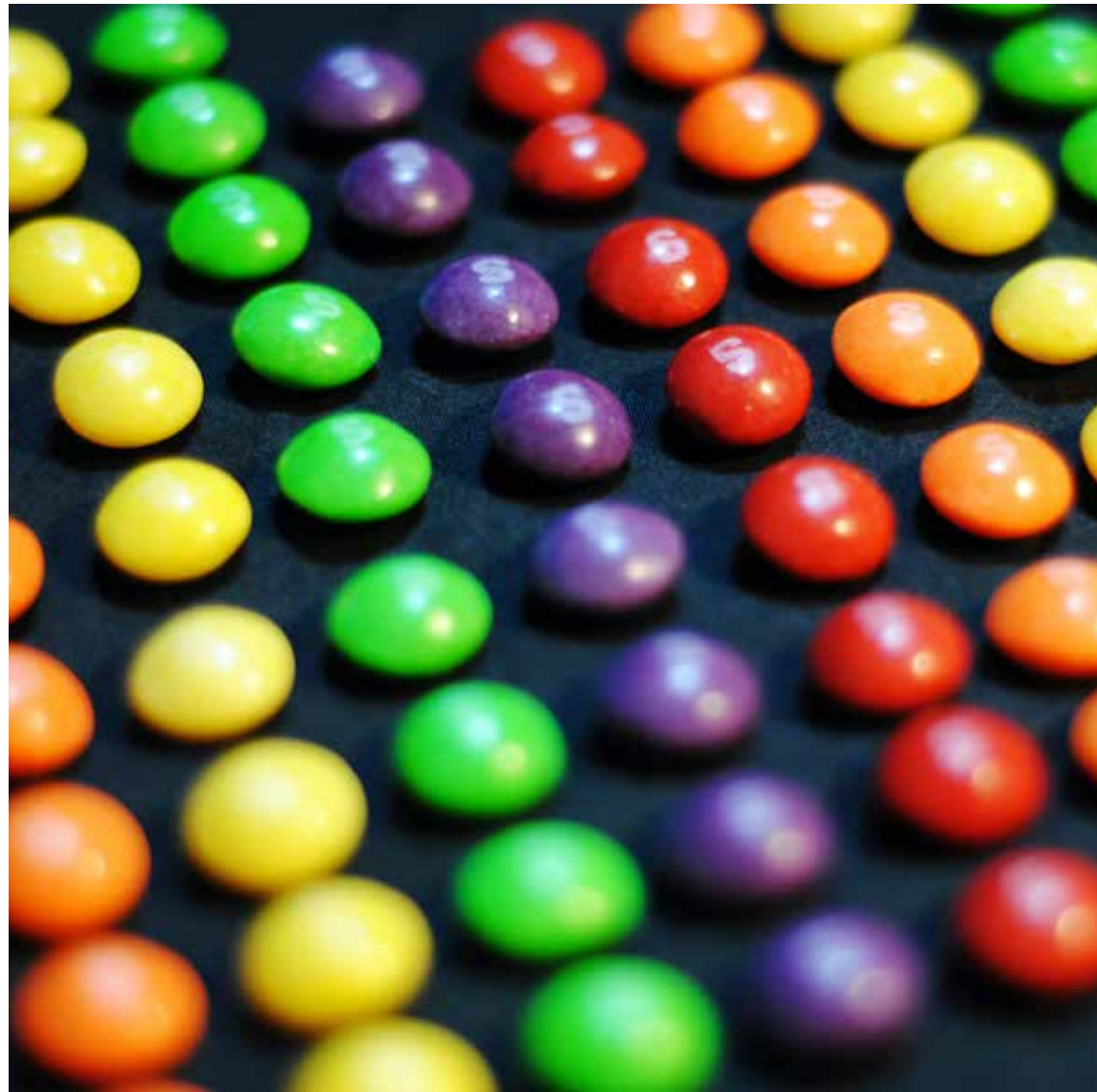# How Self-Serve Segmentation Gave This Client a **385% Engagement Boost**

IS BAD SEGMENTING SECRETLY SABOTAGING YOUR MARKETING PROGRAM?

Let marketing own its data

Segmenting is a valuable capability for marketers to own. This ownership allows marketers to scale segmenting operations and start to gain an intuitive understanding of customers based on how often they are subdividing and testing every audience across any data source and any end-channel.

The involvement required when data responsibilities are handed to marketing is, by necessity, as educational as it is functional. Essentially, you're handing over a study guide on your customers' demographics and behaviors to the people in charge of communicating to those very same customers.

Let's say that your marketing team is simplifying your homepage to allow customers to choose a path from a selection of options while also allowing you to quickly segment on intent. With a self-serve UI, marketers can help themselves to gap-free customer profiles to build micro-segments that would have previously taken an overworked IT team a week or more to build.

We'll demonstrate the value of friction-free segmenting in the last section, where we show how a client's segment size directly correlates to revenue-by-campaign. In the next section, we'll go through the three critical capabilities marketing must have if it is to fully own its data strategy.

Personalization tools should be personalized to marketers

The top 3 requirements of marketer-friendly personalization tools

In today's high speed, experience-driven [or insert other qualifying language] business environment, it's essential that any personalization tool be personalized to marketers — particularly if technical and nontechnical marketers alike are to manage personalization efforts. Here are a few baseline requirements that must be met.

Personalization tools should provide access to all of your data to build segments

Incomplete data will be limiting once you've reached the edges of your available parameters. Without complete data, your ability to suppress or include subsegments gets more difficult, which means that if an important segment is too big or too small, you might not have enough data to reach a number that is appropriate for the planned campaign.

For example, you might want to launch a campaign directed at customers who bought products from a certain line. But if you can only get visibility into purchase history and not engagement history, you won't know which channels will most positively influence this segment, and you have no idea which one will simply drain your coffers.

Personalization tools should build segment on real-time and historical data

The real superpower of segmentation is the ability to trigger workflows and drip campaigns based on real-time behavioral data. Without both types of data, your team will again be limited by what they deploy and what they can manage.

For example, as part of your 2021 retention strategy, you aim to increase high-LTV retention. One tactic you have in mind is a 15% discount for any cart abandons among the top 10% highest-LTV customers. In this case, you need historical data to determine who's in the top 10% and you need real-time data to automate finding the abandoned carts within that top decile.
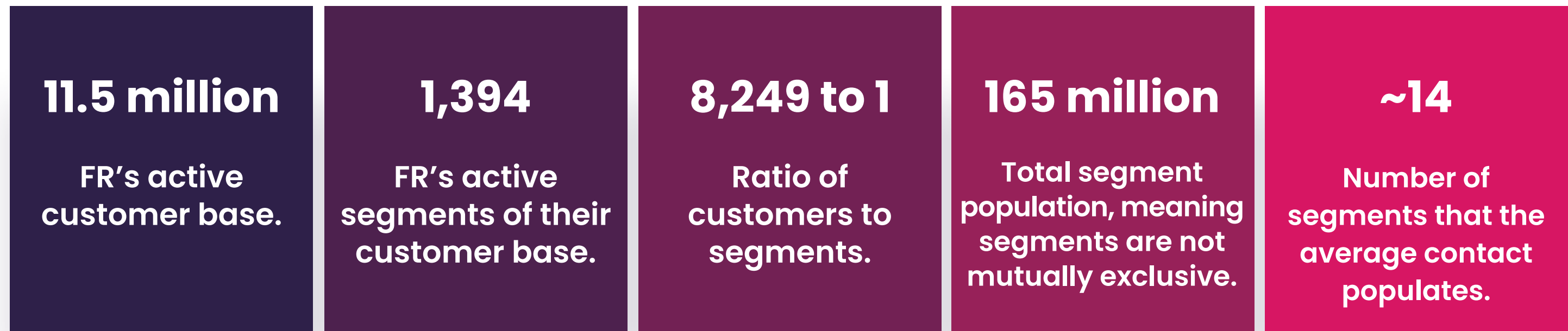
Personalization tools should be self-service

"Self-service" is the crux of this entire piece, so it shouldn't be surprising that this made the list as an essential criterion. Marketers will never gain that valuable, gut-level intuitive understanding of your customers if they cannot directly access and manipulate information pertaining to those customers.

A centralized environment for segmentation and end-channel deployment effectively becomes the marketing playground. I like to think about it this way: if Instagram required technical know-how to excavate content, then Selena Gomez would not have needed to go to rehab for her IG addiction. Considered from that angle, you might think about providing your team not only with useful tools but with intuitive tools they want to use. The magic happens when mastery becomes fun.

What happens to Segment Superstars?

To get a sense of the power of segmentation, we did some investigating into one of our most passionate data dividers, a publicly traded fitness disruptor. For our purposes, we'll call them Fitnessruptor, or FR for short.

We've included the raw data below, but here we'll provide a few high-level insights:

11.5 million	**1,394**	**8,249 to 1**	**165 million**	**~14**
FR's active customer base.	FR's active segments of their customer base.	Ratio of customers to segments.	Total segment population, meaning segments are not mutually exclusive.	Number of segments that the average contact populates.

A few stats around their segmentation practice and performance:

1	192	9.2	21.12%	3.75%
The number of segments FR was using at the start	The number of segments their in-house marketing team built last month alone.	The average number of variables that FR uses to build a segment.	The CTR on emails sent to the smallest, most segmented quartile of customers.	The average CTR on emails sent to the largest, least segmented quartile of customers.
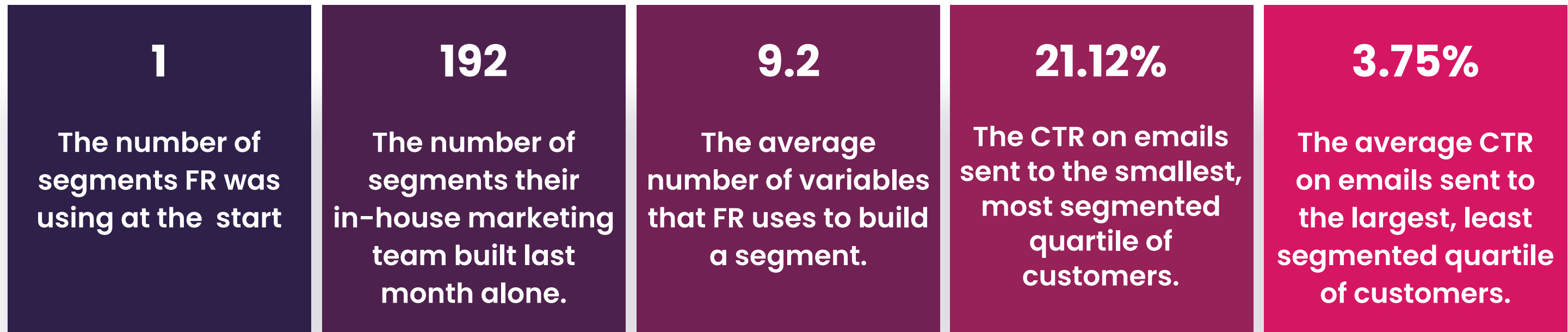
As should be obvious by these inspiring segmentation superstars, manipulating data and studying accessible reporting will give your marketing team an unparalleled understanding of your customers. The more they know, the better they can target. The better they can target, the more likely they are to achieve positive results.

The fastest, easiest, and least expensive way to enable a truly data-driven marketing program is with a self-service segmentation tool where marketers can play with data, easily add attributes, and coordinate segments across channels through a no-code UI built with non-technical users in mind.

If brands want to keep pace, they need to think about creating a narrative and a journey that is specific to an individual customer rather than a broad audience.

Number of new segments created within a given timespan (i.e., one month)

n=1351 segments created before 1/1/2021 and applied to at least 1 campaign

Month	Net-New Segments Created	Month	Net-New Segments Created
6/1/2017	1	4/1/2020	52
10/1/2017	7	5/1/2020	82
8/1/2019	6	6/1/2020	57
9/1/2019	14	7/1/2020	123
10/1/2019	31	8/1/2020	153
11/1/2019	23	9/1/2020	157
12/1/2019	34	10/1/2020	121
1/1/2020	42	11/1/2020	162
2/1/2020	51	12/1/2020	192
3/1/2020	43		

Number of variables used in each segment

n=1351 segments created before 1/1/2021 and applied to at least 1 campaign

Percent Rank	Number of Conditions
0%	0.8
10%	2.7
20%	4.6
30%	6.5
40%	8.0
50%	9.5
60%	11.0
70%	12.0
80%	13.4
90%	15.8
100%	20.7
Average	9.2

Number of people within a given segment

n=1351 segments created before 1/1/2021 and applied to at least 1 campaign

Percentile Rank Segment Size	Segment Population
0%	0
10%	6
20%	48
30%	280
40%	1100
Median: 50%	2928
60%	6563
70%	18533
80%	69934
90%	491130
100%	2724852
Average	163662

Segments Outcomes by Decile

n=918 segments with ESP data

Percentile Rank Segment Size	Segment Population	CTR	Workouts per Send
0%	0	14.79%	0.67
10%	6	17.71%	0.52
20%	48	21.25%	0.62
30%	280	4.23%	0.07
40%	1100	12.61%	0.41
50%	2928	12.75%	0.40
60%	6563	2.62%	0.06
70%	18533	7.99%	0.33
80%	69934	10.06%	0.41
90%	491130	5.10%	0.18
100%	2724852	3.02%	0.09
Average	163662	3.96%	0.13

Segments Outcomes by Quartile

n=918 segments with ESP data

Quartile	Net-New Segments Created	Engagements per Send
Bottom Quartile Segment Size	21.12%	0.63
25-50% Segment Size	5.25%	0.12
50-75% Segment Size	6.75%	0.24
Top Quartile Segment Size	3.75%	0.13

Simon   The Self-Serve Segmentation

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