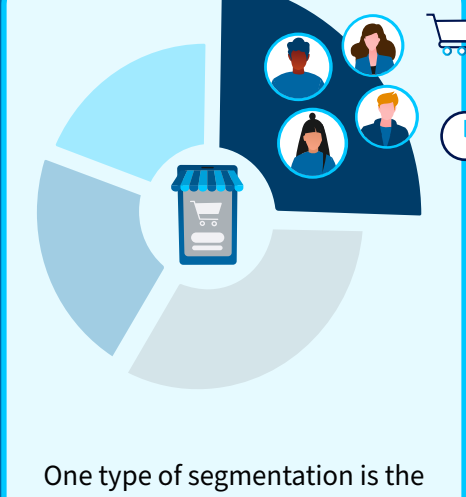


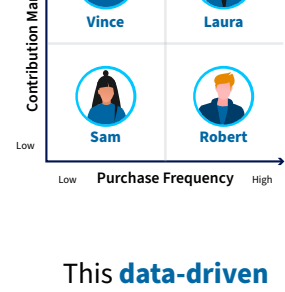
Value-Centric Customer Segmentation



Behavioural segmentation is a marketing strategy that divides customers into groups based on their behaviour patterns as they interact with a company.

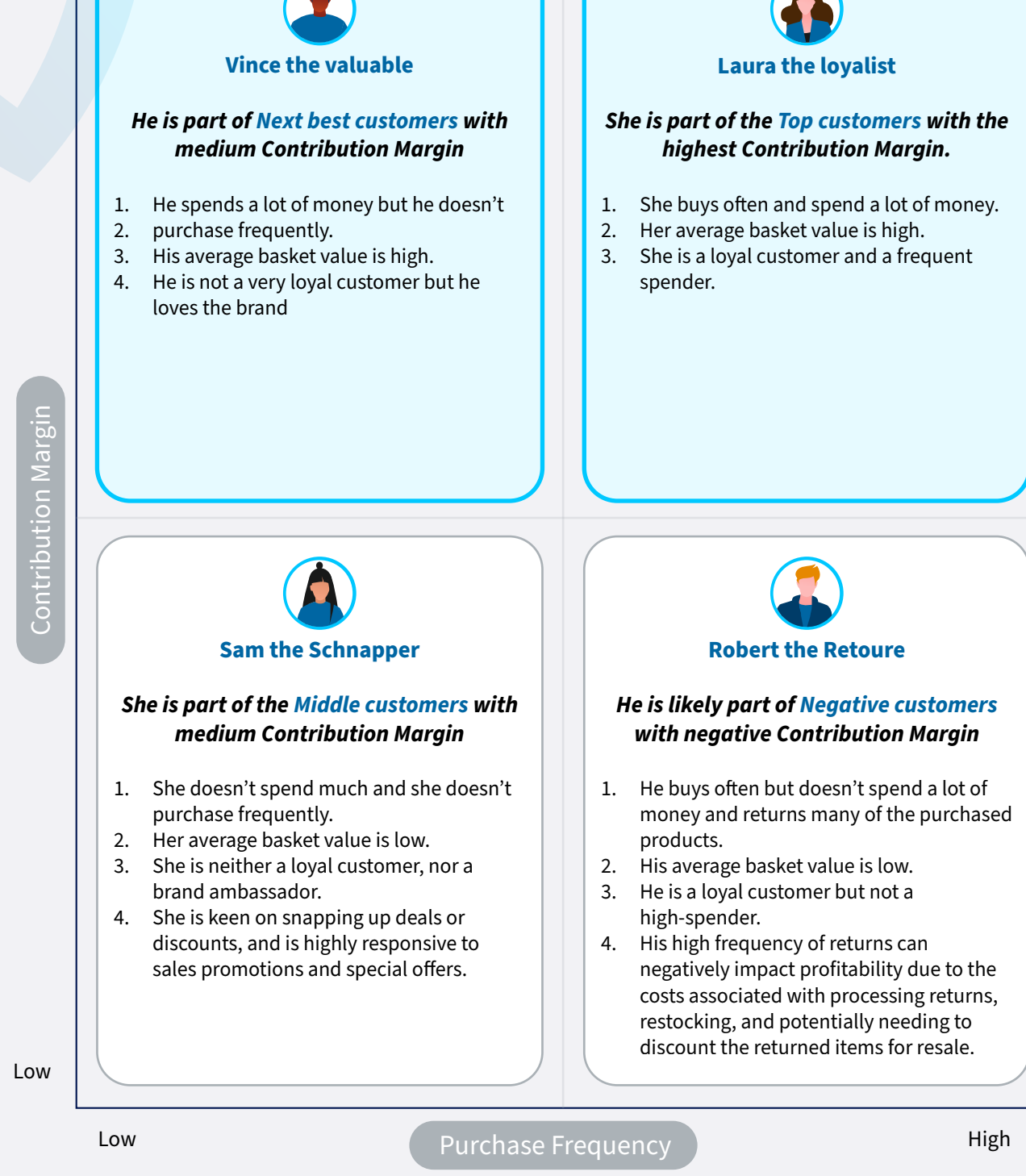


One type of segmentation is the **Value-centric behavioural segmentation**, that categorises customers based on their financial contribution and buying behaviour.

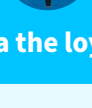


This **data-driven segmentation** allows customised strategies different for each segment, based on their specific value to the business.

Understanding the Segments



Segment-Specific Strategies



Laura the loyalist

Maximising the value of Laura

The strategy should focus on reinforcing Laura's **loyalty**, enhancing her **satisfaction** and **increasing** her **lifetime value** by:

- Personalised Communication:** Use customer data for **tailored** communications and offers based on **preferences** and **past behaviours**, including emails, real-time website personalisation and push notifications.
- Exclusive Offers and Perks:** Provide access to **exclusive** products, early releases, special editions, and members-only events to **foster** long-term brand **loyalty**.
- Loyalty Programs:** Enhance AOV with tiered **rewards** systems, allowing customers to earn significant benefits as they reach **higher** levels of spending or engagement.
- Paid Media Strategy:** Exclude Laura from paid media channels through suppression to **optimise** media **budget** allocation.
- Customer Acquisition Strategy:** Leverage customer data to **acquire** new "top customers" akin to Laura through **lookalike** audience targeting.



Vince the valuable

Maximising the value of Vince

The strategy should focus on **turning** Vince into a loyalist through **personalised messaging** by:

- Personalised Recommendations:** Use data from **past purchases** and browsing **behaviour** to provide personalised product recommendations, **boosting** upsell opportunities.
- Loyalty Program Incentives:** Promote high-priced products and incentives within the loyalty program to **enhance engagement** and increase AOV.
- Improved Customer Segmentation:** Refine customer segmentation for **optimised campaigns**, targeting new "next best customers" similar to Vince.
- Seamless Omnichannel Experience:** Achieve a seamless omnichannel experience through **real-time website personalisation**, push notifications and email communication



Sam the Schnapper

Maximising the value of Sam

The strategy should focus on **increasing** Sam's **purchase frequency** and **overall engagement** with the brand by:

- Personalised Marketing Communications:** Send **tailored** emails and notifications based on Sam's **preferences** and past purchases to encourage regular buying.
- Exclusive Access and Offers:** Use **1:1 communication** and app push notifications to drive online-to-offline conversions and offer exclusive rewards for app downloads.
- Enhanced Customer Segmentation:** Refine segmentation by considering additional data points for **precise targeting**, such as strategies for cart abandoners and frequent shoppers.
- Omnichannel Shopping Experience:** Ensure a **seamless shopping journey** across all channels—online, mobile, desktop and physical stores—to enhance satisfaction and loyalty.



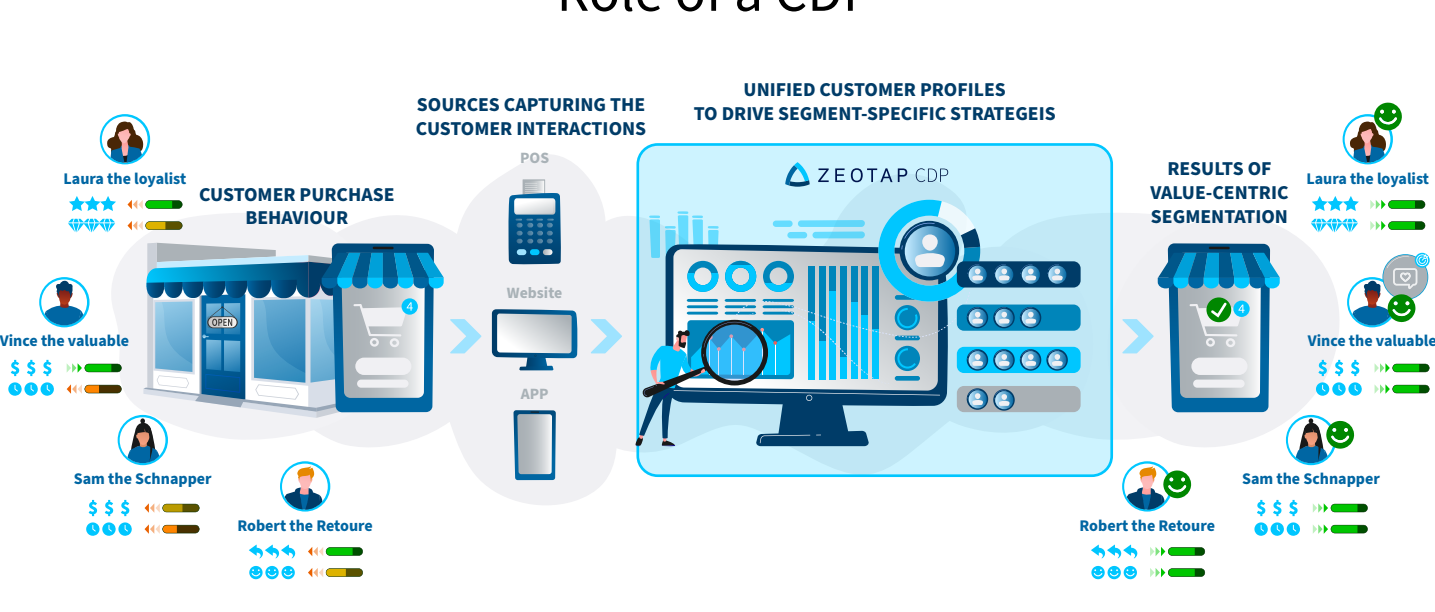
Robert the Retoure

Maximising the value of Robert

The strategy should focus on **reducing** Robert's **return rates**, streamlining the return process to **minimize costs** and **enhancing profitability** by:

- Real-time personalisation:** **Customise** on-site **experience** by highlighting free in-store returns instead of free shipping for returns, reducing customer care costs for dissatisfied customers by directing them to resolve issues online.
- Personalise Product Recommendations:** Use **data-driven insights** to recommend products aligning with Robert's past satisfactory purchases, **minimising dissatisfaction** and subsequent returns.
- Customer Identification:** Identify **customers similar** to Robert by considering additional data points such as return rate/score across all initiatives.
- Paid Media Strategy:** Optimise media budget by excluding Robert from paid channels through **suppression**.

Role of a CDP



Benefits of Value-Centric Segmentation



1. Enhanced budget allocation and reduced media wastage.

Higher-value segments might receive more focused attention through tailored services and offers, ensuring that spending on marketing and sales efforts yields the highest possible return.



2. Improved customer retention thanks to personalised loyalty strategies.

Businesses can prioritise high-value customers with loyalty programs, special offers, or premium services, thereby increasing their satisfaction and loyalty.



3. Increased Revenue Opportunities.

By identifying the most profitable customers and also those with potential for growth, company can create targeted strategies such as cross-selling and up-selling, to increase the lifetime value of existing customers.



4. Cost efficiency

By focusing on the most lucrative segments, companies can reduce wastage of resources on low-value customers.



5. Better, more tailored Customer experience

By recognising and rewarding high-value customers, companies can ensure these customers feel valued and understood, enhancing their overall satisfaction.

Many international brands have already selected Zeotap CDP to grow their businesses

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