

IDENTIFYING & REACHING YOUR
Loyal Customers

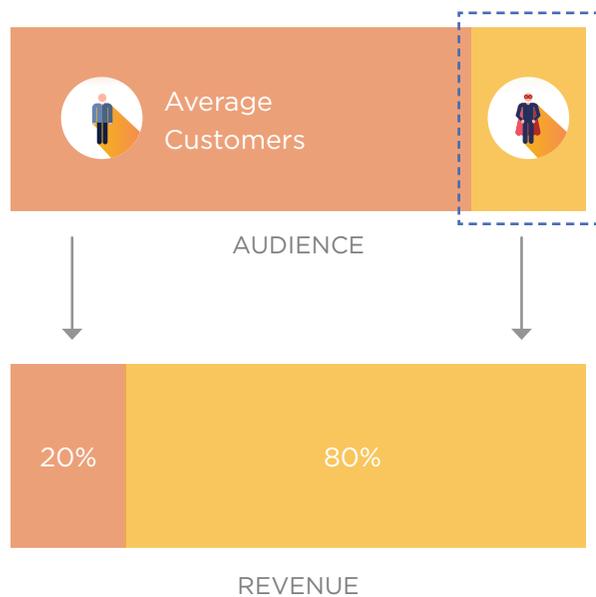


hitwise
AU Edition

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 **“loyal customers”**.

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

Of course, that is if you know *who* your loyal 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 loyal 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 loyal customers back to you.



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CHAPTER ONE

Identifying Opportunities

When engagement is better than volume

Audience engagement vs. volume

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

The following example shows why this is the case for ASOS. If we were to only look at **volume-based metrics**, ASOS attracted a larger pool of 18-24 yo Females. This audience size was 44% greater than 18-24 yo Males.

But when we delve into **engagement and conversion metrics**, a different profile arises. 18-24 yo Males were more engaged with ASOS' site. This demographic visited more often and was more likely to purchase, with 8.0% of Male visitors buying on ASOS, compared to 7.1% for Females.

When they did purchase, 18-24 yo Males also spent an additional minute on ASOS' site, which ASOS could use to feature and upsell products on its basket page.

Engagement on ASOS by Audience (18-24 yo)

Metric	18-24 yo Female	18-24 yo Male
Unique Users	62,403	43,457
Total Visits	331,790	246,129
Average Time / Visit	1m 47s	3m 3s
Average Visit / User	5.3	5.7
% of Users that Purchased	7.1%	8.0%



ASOS attracted a larger pool of 18-24 yo females



But 18-24 yo males visited more often and converted at a higher rate

Combining demographics and attitudes

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

The Iconic predominantly attracts Females aged 25-34 yo to its site. However, many micro-segments exist within this broad demographic.

The beside chart shows how engagement differs for 25-34 yo Female **“Bargain Seekers”** (i.e. people who shop online due to bargains, rewards and special offers) and **“Brand Seekers”** (i.e. people who shop online due to brand prestige and product uniqueness).

The Iconic attracted a larger pool of Bargain Seekers. Again, zooming into engagement and purchase data, Brand Seekers had **stronger engagement** with The Iconic’s site. This group viewed more pages and converted more people on average.

Engagement on The Iconic by Audience (25-34 yo Female)

Metric	Bargain Seekers	Brand Seekers
Unique Users	70,770	14,045
Total Visits	477,396	84,932
Av. Page Views / Visit	14.1	17.2
% Users that Purchased	9.1%	10.2%
% Visits that led to purchase	2.6%	3.0%

 Bargain Seekers visiting The Iconic was 404% greater than Brand Seekers

 But, Brand Seekers converted at a higher rate and viewed more pages per visit

ACTION STEPS: Engagement and purchase level metrics, such as frequency and visit-to-purchase rate, unveil who is truly interested in your brand. In the next chapters, we detail how brands can then reach more Loyal Customers.



CHAPTER TWO

Reaching Your Loyal Customers

How to use search and traffic sources

Segmenting by online touchpoints

In this chapter, we use onsite behaviour as the starting point to defining and, ultimately, targeting High Value Customers.

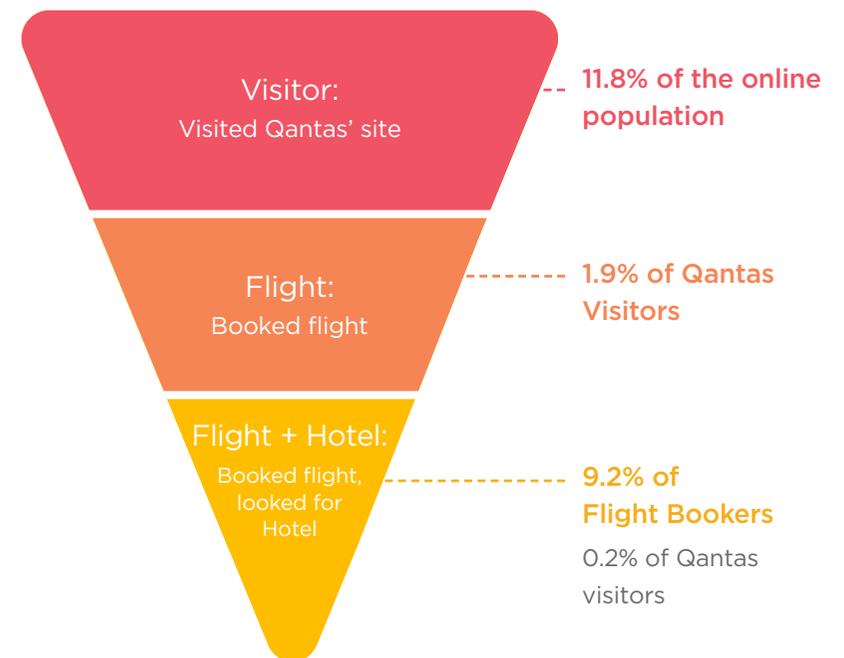
Bundling is a key tactic to increase the value per customer, particularly in the travel industry. For instance, an airline's High Value Customers could be people that not only book flights, but also purchase other services like hotel and car hire.

Let's see what this could look like for a leading airline, Qantas. Over a 12 week period:

- 11.8% of the online population visited Qantas' site
- Out of those visitors, 1.9% went on to book a flight
- Out of those flight bookers, 9.2% also visited Qantas' hotel pages.

So, how can Qantas increase this 9.2% ratio and attract more flight bookers to check out and, ultimately, book a hotel?

Segment by Qantas Online Touchpoints
Visit > Flight > Hotel Audience Size



Profiling each segment

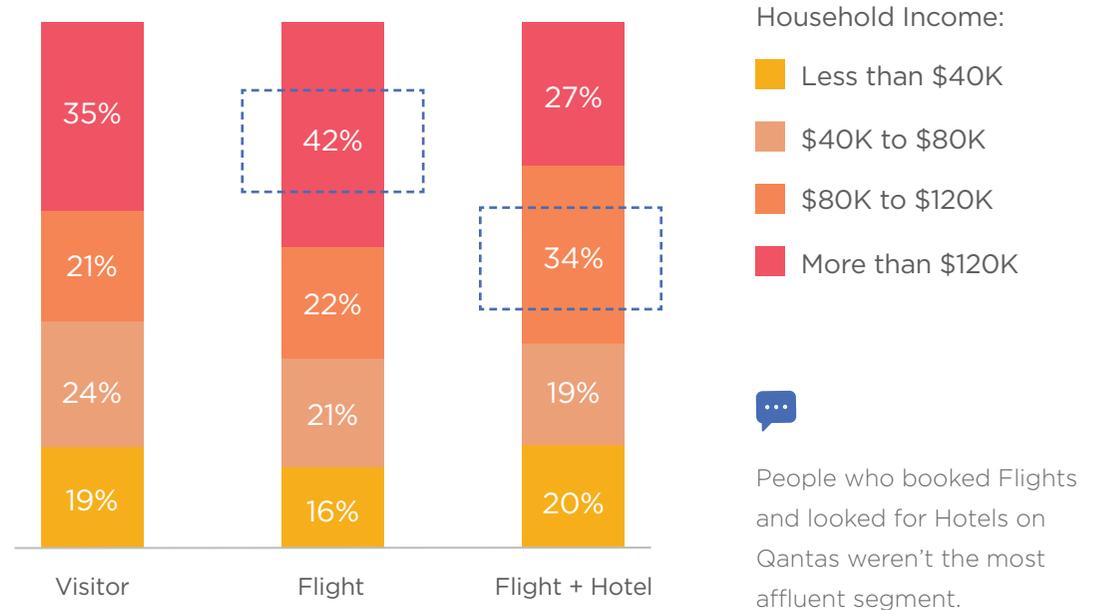
Firstly, let's understand the profile of each Qantas segment.

All groups (Qantas Visitors, Flight Bookers and Flight + Hotel Bookers) over-indexed for **55+ yo in affluent families**, which can be expected.

It's easy to also assume that Qantas' Loyal Customers would be the most affluent – they prefer the convenient option of adding a hotel to flight bookings, over researching and comparing rates.

But when we look at **household incomes**, this wasn't the case. Flight + Hotel bookers had a higher concentration of people with \$80K to \$120K AUD. Whereas, Flight (only) Bookers had a higher density of \$120K+ AUD.

Qantas Segments
Split by Household Income (AUD)



Identify segment interests through search

What are the needs and interests of each segment? This is where search data by audience becomes powerful.

This chart shows **over-indexed searches** around destinations by segment. Qantas visitors were more likely to search for accommodation in Fiji and Tokyo. Qantas Flight bookers were seeking destinations like London and Hong Kong. Qantas Flight + Hotel bookers also searched for places in Italy and Hawaii.

Qantas could **benchmark these destinations** against their own hotel offering. If there is an existing relationship, Qantas could promote the hotel/destination to specific segments. If there isn't an existing relationship, Qantas could look to adding these locations to its portfolio.

Qantas Segments Over-indexed Destination & Hotel Searches

	Visitor	Flight	Flight + Hotel
What destinations are they searching for?	“Hobart Accommodation” “Best places to stay Fiji”	“Best hotels London” “What’s on in Sydney”	“Tivoli Rome Italy” “What to do in London”
What hotels are they searching for?	“Crown Towers Melbourne” “Hilton Tokyo”	“Novotel Hong Kong” “Claymore Singapore”	“Hyatt Place Waikiki Beach” “Pullman Sydney”



Identify the unique travel interests of each segment. Benchmark against your own destination and hotel offering.

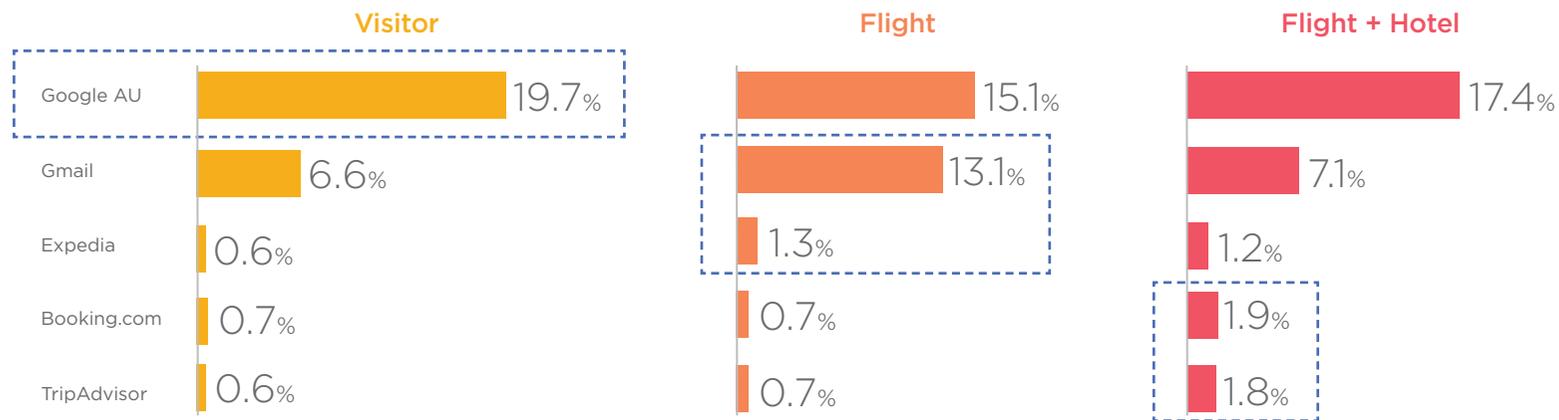
Identify channels to reach more loyal customers

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

Qantas visitors relied the most on Search, whereas Flight Bookers relied the most on Gmail and Expedia. Qantas Flight + Hotel Bookers relied more on other aggregators and meta search sites, like Booking.com and TripAdvisor.

To attract more Visitors, Qantas could for instance **bid on keywords** around Fiji and Tokyo. To migrate Flight Bookers, Qantas could promote their hotel offering in London and Hong Kong through **email**.

Qantas Segments
Traffic Sources to Qantas' site



Qantas visitors relied more on Google. Whereas, Flight bookers relied more on email and travel aggregators.

ACTION STEPS: Use online behaviour as a starting point to defining your Loyal Customers. Combined with search and traffic source data, a brand can develop content and keywords that are tailored to each segment.



CHAPTER THREE

Nurturing Your Loyalists

Keep your exclusive exclusive; migrate your overlap

Loyalty by exclusivity and overlap

Online banking and financial comparison sites have made it easier than ever before to compare and swap between providers.

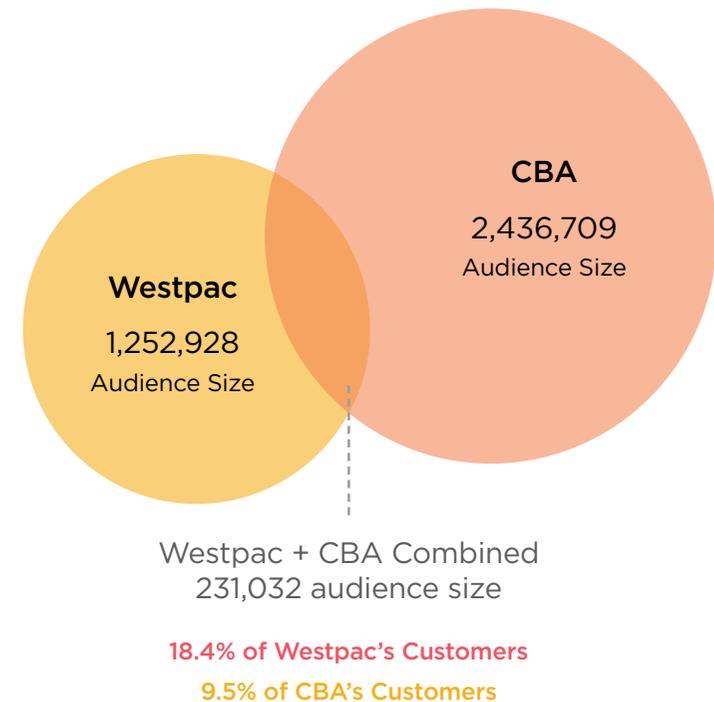
How can a financial institution keep their customers “exclusive”? In this chapter, we look at the audience overlap between **Westpac and Commonwealth Bank (CBA)**.

Over a four week period, CBA’s total audience was almost double that of Westpac’s. Out of these people, over 231,000 people logged on to both Westpac’s and CBA’s online banking sites, equating to 18.4% of Westpac’s customers and 9.5% of CBA’s customers.

So, let’s say we are Westpac. We have almost one-fifth of our customers going to a key competitor. We would want to know:

- Why do our customers go to us (and us only)?
- Why do our customers go to our key competitor?
- How can we migrate our overlap audience back to us?

Westpac vs. CBA Customers
Audience size



Identify your exclusive and shared customers' needs

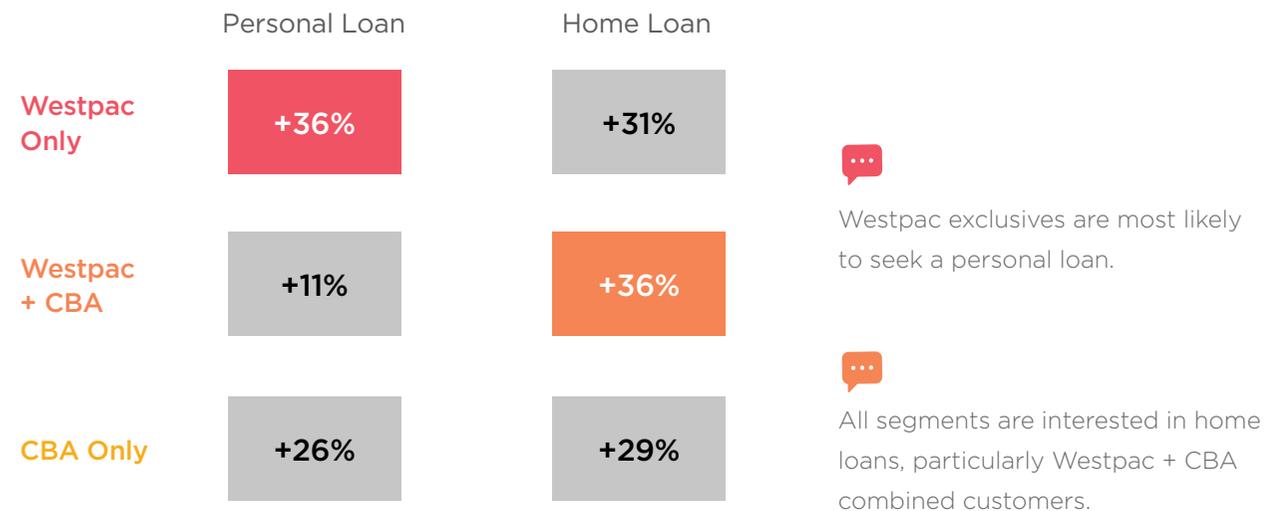
Identify the financial products that each segment is looking for.

Through [market research data](#), we can see that Westpac's exclusive customers are more likely to seek a **personal loan** over the next six months. Westpac and CBA's combined audience is more likely to seek a **home loan**, but this was also a top need across all segments.

If Westpac and CBA customers are actively seeking these financial products, they will likely conduct online research over the next few months. So, what can Westpac do to engage these customers?

Westpac vs. CBA Customers

Intention to buy over next 6 months (Index)



Understand why they go to you

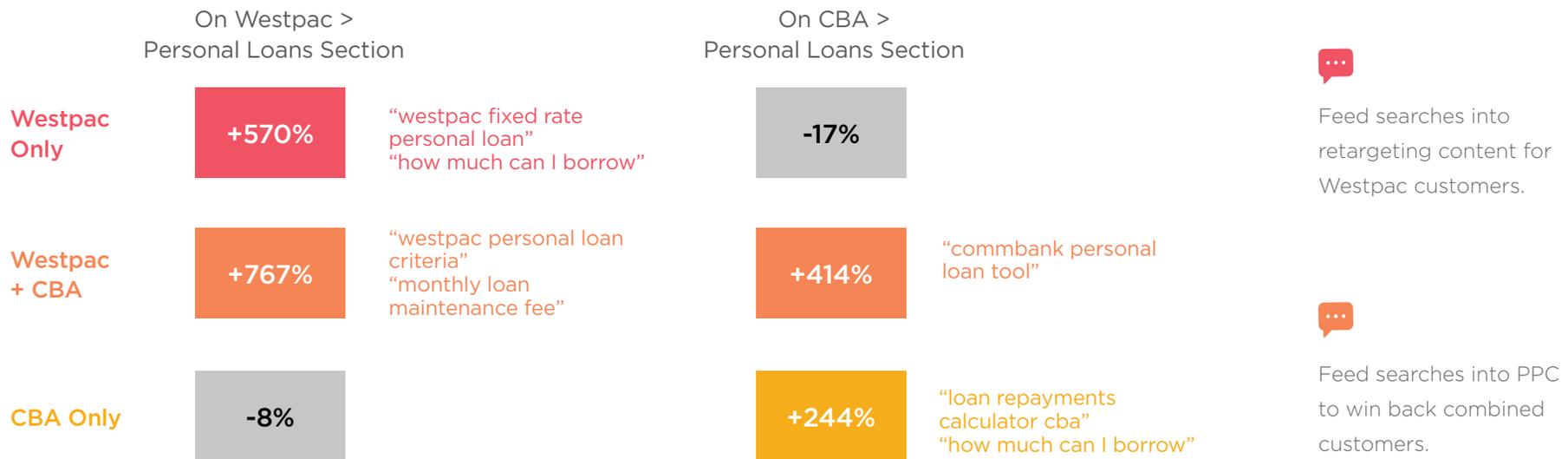
Let's firstly look at Personal Loans and compare each segment's online behaviour.

Westpac's exclusive and shared customers are visiting Westpac's Personal Loans onsite, over CBA's Personal Loans. These customers were searching for loan criteria and monthly fees, before visiting Westpac's site.

So to keep these **customers engaged**, Westpac could feed these search queries into their retargeting content. Westpac could also see why their combined audiences go to CBA's Personal Loans. To **win back** this audience, Westpac could then feed these keywords into their PPC, such as bidding on "personal loan tool".

Westpac vs. CBA Customers

Personal loans - visit index and search terms



Understand why they don't go to you

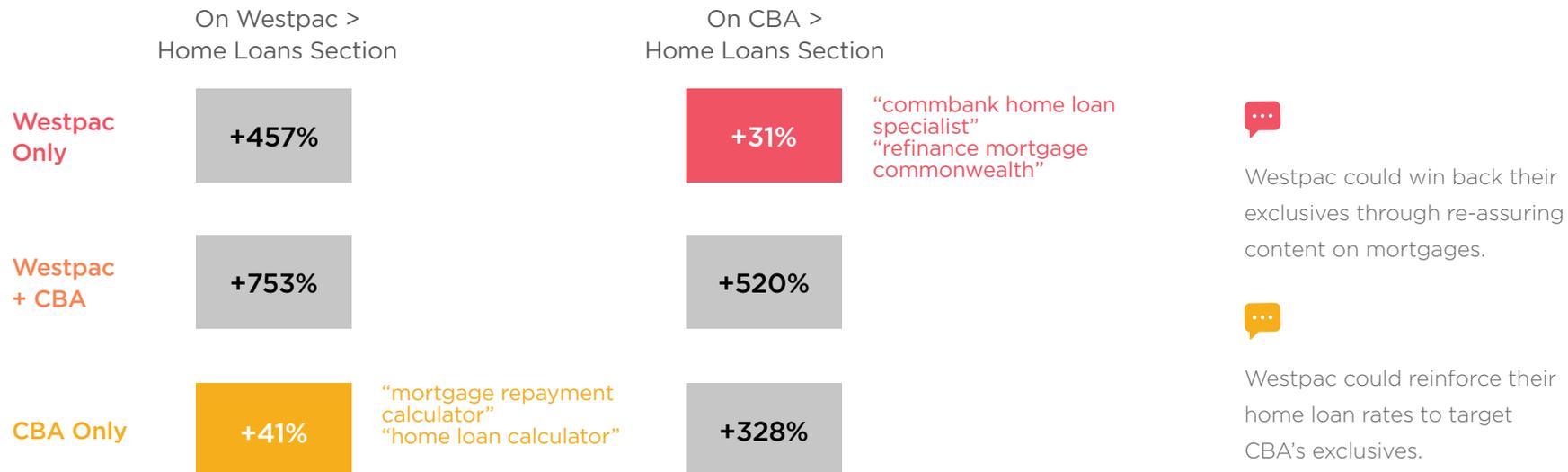
A different situation arises for Home Loans.

The exclusive customers of both Westpac and CBA are **visiting competitor sites** for Home Loans. Westpac's exclusive customers are looking for home loan specialists and refinancing options on CBA's site. CBA's exclusive customers are searching for mortgage repayment and home loan calculators, before entering Westpac's site.

To **win back** (or even conquest CBA's exclusive audience), Westpac could develop targeted content around home loan rates or incorporate these key terms in their PPC.

Westpac vs. CBA Customers

Home loans – visit index and search terms



ACTION STEPS: Understand the needs and interests of your exclusive and shared audiences. Identify why they go to you and why they go to your competitor, using search. With these insights, develop re-targeting or win back tactics.

KEY TAKEAWAYS



Identify new opportunity segments by considering engagement and conversion metrics.

Data points, like time spent, page views per session and visit-to-purchase rates, can help identify who is most valuable to your brand.



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

Use online touch points as the starting point to identifying your loyal customers. Know what types of content resonates and through which channels to best retain this audience.



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

Identify why your customers go to you and why your customers go to your competitors. With these insights, develop re-targeting and win back tactics to keep your most valued audience.

Ready to identify **your** Loyal Customers?

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

EMAIL US AT CONTACT-AU@HITWISE.COM



METHODOLOGY

CHAPTER 1

Page 4: Hitwise, Audience = Visited or Purchased on www.asos.com, Period = 4 rolling weeks to 23-June-2018.

Page 5: Hitwise, Audience = Visited or Purchased on www.theiconic.com.au, split by demographic and market research data. Period = 4 rolling weeks to 23-June-2018.

CHAPTER 2

Page 6-7: Hitwise, Audience = Visited Qantas AND booked flight / visited hotel pages. Period = 12 rolling weeks to 23-June-2018.

Page 8: Hitwise, Audience = Visited Qantas AND booked flight / visited hotel pages. Searches to Travel - Accommodation & Destinations, Index based on relative search share across segments. Period = 12 rolling weeks to 23-June-2018.

Page 9: Hitwise, Audience = Visited Qantas AND booked flight / visited hotel pages. Traffic Sources = % Traffic occurrence leading to Qantas.com. Period = 12 rolling weeks to 23-June-2018.

CHAPTER 3

Page 10: Hitwise, Audience = Visited Westpac and/or Commonwealth Bank's log in page. Period = 4 rolling weeks to 23-June-2018.

Page 11: Hitwise. Audience = Visited Westpac and/or Commonwealth Bank's log in page, compared against market research data. Index = Compared to online population. Period = 4 rolling weeks to 23-June-2018.

Page 12-13: Hitwise, Audience = Visited Westpac and/or Commonwealth Bank's custom section, and search terms that led to this custom section. Index = Compared to online population. Period = 4 rolling weeks to 23-June-2018.

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