CASE STUDY

Sagacity
Part of Accenture Song

Customer Segmentation for Improved Acquisition and Engagement

Client

On-Demand Retailer

Segmentation

Client Situation & Impact

Our on-demand retail client has a convenience app that lets customers order items for delivery in minutes, 24/7, including snacks, drinks, essential groceries, personal health and hygiene goods, over-the-counter medicines, and other everyday household products.

They employ a high-volume, multi-channel customer acquisition strategy incorporating Direct Mail, Doordrop and Partially Addressed Mail in order to recruit new customers centered around their locations, primarily based in London.

The client was seeing declining response rates and app sign ups, and increasingly high cost per acquisition. They wanted to reduce their marketing spend, whilst growing their customer base, and needed to better understand their target audience(s).

Acquisition Strategies

Audience Understanding

Customer Profiles

How Did Sagacity Help?

We created a market segmentation, utilising what we knew about the client's customers, their transactional behaviour and shopping habits, overlaid with demographic and lifestyle information.

Our team built five different customer groups who shared similar characteristics and product purchases so that the client could focus their marketing spend on prospects who were likely to be both most responsive, but also importantly, profitable.

The insight would also allow them to tailor their communications and creative/offers to be more attractive to each respective customer group.

Outcome & Business Benefits

Tailor and personalise every communication

Customer penetration analysis allowed us to identify the potential headroom for each location, the potential return for each customer group within the respective locations was calculated, and a multi-channel acquisition strategy was developed.

This enabled the client to deploy budget into the most cost-effective media channels, driving down the cost per acquisition, increasing the response rates and delivering profitable customers to the organisation.

The segmentation also enabled the client to focus their retention marketing budget on the most valuable customers and generate longer-term loyalty from these groups.