

Segmenting your audience for Direct Marketing

Why segment?

The more you can speak in language that directly appeals to your customer, the more likely they will be to respond. Ideally, we'd write individually to each person, using what we know about them to personalise the content and style of the communication. Obviously we can't do that, so segmentation is the next best thing.

Which segmentation is best?

Segmentation that groups customers according to similar needs is the most useful for marketing purposes. Customers with similar needs can then be sent communications addressing those shared needs: for example, people who've only been once before might appreciate tips on the best way to get to your theatre, best places to park, how to avoid the queue for interval drinks, where to eat before or after the show, and even what to wear. (Some people think dressing up is a pain, other people love it. Your database won't be able to help you out with segmenting for that one, but you should aim to make everyone feel comfortable and welcome, whatever they choose to wear.) People who are frequent theatregoers might have a favourite place to sit in the theatre and might appreciate being able to get in early to secure their favourite seats.

Recency and Frequency

These are two words that are important for direct marketing strategies. The more **recently** someone has been to your theatre, the more likely they are to come back, and the more **frequently** someone has been to your theatre, the more likely they are to come back.

Figures from the Purple Seven Vital Statistics database show that of first timers, 14% will go on to become second timers, 26% of second timers will go on to become third timers, 34% of third timers will go on to become fourth timers, and 45% of fourth timers will go on to attend 5 times or more. So you can see it's worth your while to encourage all first, second and third timers to come again.

The Vital Statistics Event Snapshot reports are designed to help you do this, by identifying recency and frequency for the audience of each show. Another relevant statistic from the Vital Statistics database is that the average length of time between attendances is 18 months. So our idea of frequency and recency and our customers' idea might be quite different. Some customers who attend once every 12 months might see themselves as 'regular theatre goers'. If you can identify everyone who has been to a similar theatre show within the last 18 months, and target him or her for your upcoming show, your response rate should be better than if you didn't segment and target.