SEGMENTING YOUR CUSTOMER BASE

ONTRAPORT

ABOUT THIS EBOOK

Segmenting Your Customer Base

You're counting on your marketing investments to bring you qualified leads that convert into customers. Just blindly using one-size-fits-all marketing outreach isn't going to bring much ROI. What will work is hyper-targeting your messages to match exactly what your audience is looking for. Dividing your prospects and contacts into specific segments based on their interests, behaviors, demographics, stage in the buying cycle and more allows you to personalize your outreach to them, leading to better response rates.

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CHAPTER 1

THE IMPORTANCE OF LIST SEGMENTATION

A large portion of businesses use one-size-fits-all marketing in which every lead or customer receives the same messaging or offer, regardless of interests, demographics, pain points or stage in the buying cycle. However, clearly not everyone is the same and, therefore, not every person who you're reaching out to is going to be interested your products or offers for the same reason — which is why your marketing collateral needs to be segmented and catered to varying audiences.

In fact, a recent Blue Research study concluded that 94% of customers have discontinued communications with a business because they had received irrelevant or misplaced messages and promotions.

Just how big of a difference can segmentation make in your business? Take Luke Ward, founder of AutomationXL, as a prime example. Like many small businesses owners, Luke was using an autoresponder software to send his marketing emails. However, the open rates of those emails were disappointingly low. The average open rate for his main lead nurture sequence (for new contacts) was about 22%. Some emails received slightly higher open rates, and some plummeted to less than 15%.

After implementing a process that segmented his subscribers and leads based on the information they provided him via a web form, he was able to identify individual's pain points. This allowed him to provide each contact with the most highly targeted content that he had. As a result, his average open rate doubled to reach 43% and average click through rate jumped to over 20%, which is not only extremely impressive but also imperative to close more sales.

CHAPTER 2

WHAT SEGMENTS SHOULD YOU USE?

Often, the quickest path to achieving the potential that exists with segmentation is to start with one of two options:

1. Segmenting by benefit or interest
2. Segmenting by point of view or need

These may sound similar, but they're not.

Say you own a catering company that specializes in different types of events like weddings, holiday parties, conferences and anniversary parties. Not every prospect has an immediate need for every different catering package you offer, so it's important that you deliver messaging that highlights how you fit into prospects' situations and solve their most pressing challenges. You do that by segmenting prospects by the benefit (in this case, the event type) that they're most interested in and crafting messages, offers and follow-up communication sequences to match.

The savviest marketers out there are slicing and dicing their lists far beyond interest and point of view, because matching your messages to your market gets results.

Similarly, your company might have different prospects who need catering on a daily, weekly or one-time basis. These different prospect groups may all be interested in conference catering, but for different reasons, frequency and quantity. It's imperative to know who you're speaking with to understand their points of view and needs and to deliver relevant messages to each.

Our experience with our own marketing, and with thousands of clients, has shown us that segmenting based on just these two factors — interest and point of view — and crafting messages and offers to match them, will cause an increase in lead conversion of several hundred percent. Keep in mind that this is a fairly basic example and just the tip of the iceberg.

CHAPTER 3

HOW DO YOU GET THE DATA?

Explicit Information: Ask for It

Asking for information from your leads on web forms is a clear way to get answers. The problem with gathering data online is that asking for anything — even just an email address — can be perceived as pushy or risky and adds significant friction to your conversion process.

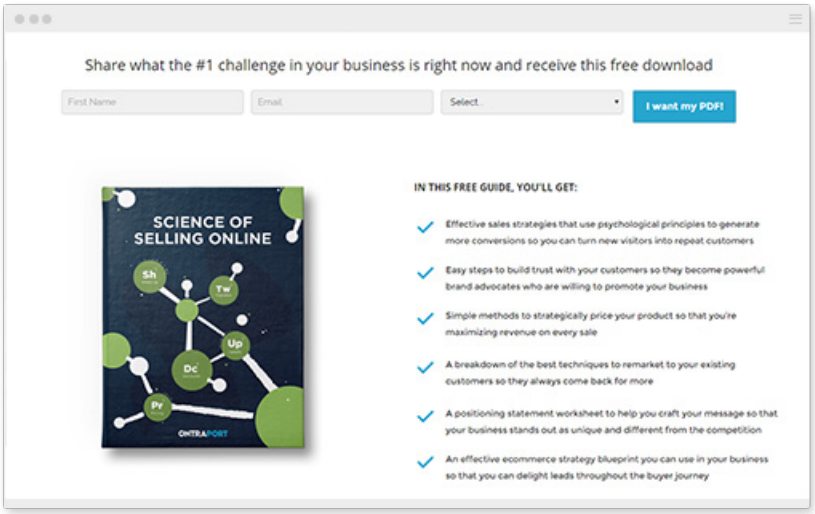
In general, the more information you require from prospects online, the fewer responses you'll get — not to mention visitors' propensity to use false fill information. Still, asking for data is necessary and, done right, can be very effective.

Lead Capture Forms

It can be very tempting to go overboard and request as much explicit information from your leads as possible. Their name, address, business type, email, biggest fear, shoe size — you could go on and on. But, when it comes to gathering information via webforms, less is most definitely more.

We recommend sticking to no more than three form fields on your web forms — any more and you risk discouraging or annoying your leads. Get creative with the information you ask for in those three form fields.

Email address is the most important info to gather, or else you aren't going to have a way to contact them moving forward. The remaining form field options are more flexible and up to you. A typical form asks for [First Name] [Last Name] and [Email Address]. To accurately segment your incoming leads, we recommend you swap the [Last Name] field for a "drop down" menu that asks leads what their biggest challenge or interest is.



If you want more detailed information, you can gather additional information from your leads after they opt in, through a survey or progressive forms. Post opt-in, you can direct your leads to a landing page with an optional survey form to ask them more questions. You can even pre-fill the form with the cookied data that you already received from your previous web form.

Using a marketing automation and CRM database like ONTRAPORT, you can automatically pull the information from your web forms and surveys into individual contact records and then send those contacts targeted messages based on the data you collected from them. This means that leads will automatically be segmented into appropriate groups and recieve content that relates directly to them.

Behavioral Information: Track It

There's an enormous opportunity to infer important information about your prospects by tracking their behavior and activity in your digital marketing channels.

For example, if you're a catering service, you may be able to infer that someone who performed a Google search for "wedding caterer in Chicago," ended up on one of your blog posts about wedding food trends, and downloaded one of your wedding catering checklists is interested in your wedding catering services, rather than any of your other types of catering services. So, you can target additional marketing to that lead by sending them emails or showing them online ads related to your wedding catering services.

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> With a marketing automation platform like ONTRAPORT, you can track this behavior and automatically organize leads accordingly.

With a marketing automation platform like ONTRAPORT, you can track this behavior and automatically organize leads accordingly. On a larger scale, that means you can see exactly how many contacts are entering your system, what lead source and medium they came from, what their interests are, and how your campaigns are performing with them. This capability will provide you with accurate marketing and lead data to optimize the marketing you're presenting to each of your customer segments.

CHAPTER 4

HOW TO CRAFT YOUR MESSAGING TO MATCH EACH OF YOUR SEGMENTS

A great way to compartmentalize your most important segments is to create buyer or customer personas around them. Personas are direct representations of your customer groups to help you determine exactly how you need to craft your messaging to match each segment. A persona is meant to identify the images, wording, themes and more that will emotionally connect with your different segments. In other words, segments are used to attract leads to your brand by identifying their exact needs, while personas craft the emotional experiences that will eventually encourage your contacts to convert into customers.

If you own a yoga studio, you may have four starkly different types of ideal customers: “The Experienced Yogi,” “The Hesitant Beginner,” “The Stressed-Out Mom” and “The Hipster.” To successfully reach these different segments, you have to determine how your product will fit their particular needs.

Finding Your Buyer Personas

Use the following questions to help you create your unique customer personas. Remember, you are going to have multiple buyer personas, so we encourage you to answer these questions for each segment.

Step 1: What's Their background?

Looking at your research, identify the commonalities between your buyers. Don't worry, not everything in the following list is going to be pertinent to your business, so it's ok if you don't fill it all out.

Age Range: _____

Gender: _____

Area of Work: _____

Income: _____

Where they live (Big city? Suburb?) _____

Education: _____

Children: _____

Where do they get their information? _____

Who influences them? _____

Who are their icons? _____

Are they active on social media? _____

Where do they prefer to shop? Online? In stores? _____

Based on the above answers, what types of products and services matter to them?

_____

_____

Step 2: Identify Your Buyer Needs.

Why and how will your product solve this person's needs?

_____

_____

What is the biggest challenge your buyer is facing?

_____

_____

How will you and your product solve this buyer's problem or fulfill his/her needs?

_____

_____

Why is your product the lasting solution to your buyer's problem?

_____

_____

Why is your product more attractive and effective than that of your competition?

_____

_____

Step 3: Give Your Buyer a Personality

Give your avatar a name, gender, home town, job, income, number of children, favorite pastimes and information sources.

_____

_____

_____

_____

You might be asking yourself, "How do I know that I'm covering all my bases?" That's a great question. To ensure your segments are going to have significant impact and are worth the time and effort you are going to put in, keep the following guidelines in mind:

- Is a particular segment definable based on specific characteristics, behaviors or responses from your lead or customers?
- Is a particular segment big enough to warrant developing a strategy around?
- Will the potential members of a particular segment be motivated to take action?
- Is this segment measurable?

If a particular segment of yours does not garner a "yes" from the four questions above, you may want to consider expanding or changing that segment.

CHAPTER 5

YOU'VE GOT DATA AND SEGMENTS, NOW WHAT?

Now, you create high-performing marketing funnels that are specific to your various segments and responsive based on their explicit information and behaviors!

This may sound complicated, but it's actually very straightforward to produce with automation software. These marketing funnels or sequences contain targeted multi-channel messages that you've created and updated based on whether your contacts open your email, click through, purchase your product and more. You can further personalize these interactions by utilizing merge fields that pull information directly from your CRM database to include contact's name, location or any other explicit information you've gathered. Every behavior, action and message is stored in an expansive database, so you always know what content is performing and what's not.

It's important that all of your marketing to each segment is consistent and focused on the aspect of your business or product they care most about. Let's go back to our initial catering example:

If you've created ads specifically about wedding catering to entice the segment that's interested in weddings to click through to your website, be sure the page they land on is about wedding catering, rather than a generic page about catering. Send them to a landing page with a form that asks them to provide their name and email to download your free guide Pulling off the Perfect Wedding Dinner. You're simply offering your customers information that is relevant to their specific interest and needs in exchange for their name, email and maybe phone number or biggest challenge. Using this straightforward strategy, you can convert a significantly higher number of visitors than if you just sent your web visitors to a general website and left them to fend for themselves.

CHAPTER 6

WHAT’S NEXT

Segmenting your leads based on the information they provide you and tracking their subsequent behaviors is a sure-fire way to create remarkable customer experiences. You're showing your prospects that you understand exactly what their needs are and that your product will be the solution to the challenge that they are facing.

It all starts with creating your customer personas and digging deep to better understand your customers' needs and, more importantly, how your business can help resolve them. Personalize your outreach and you'll be sure to get more traction from your marketing.

ONTRAPORT

ONTRAPORT's mission is to support entrepreneurs in delivering their value to the world by removing the burden of technology. We deliver on that mission by creating software, offering services, and educating the entrepreneurial community.

For over a decade, we have made a difference for thousands of businesses, their community, and our own staff, which is why we've received countless awards for innovation, revenue growth and company culture.

Our flagship marketing automation product is a subscription software that provides our customers with all the tools they need to start and grow their businesses through the advantage of an all-in-one platform. In addition, we also offer a large collection of free resources, courses and educational products that support entrepreneurs at any stage throughout their journey.

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