



Beyond the One Hit Wonders!

How do I get from 1 to 2?
Some thoughts on the issue

Neil Mason

Emetrics Summit – London - May 2006

neil@applied-insights.co.uk

applied insights

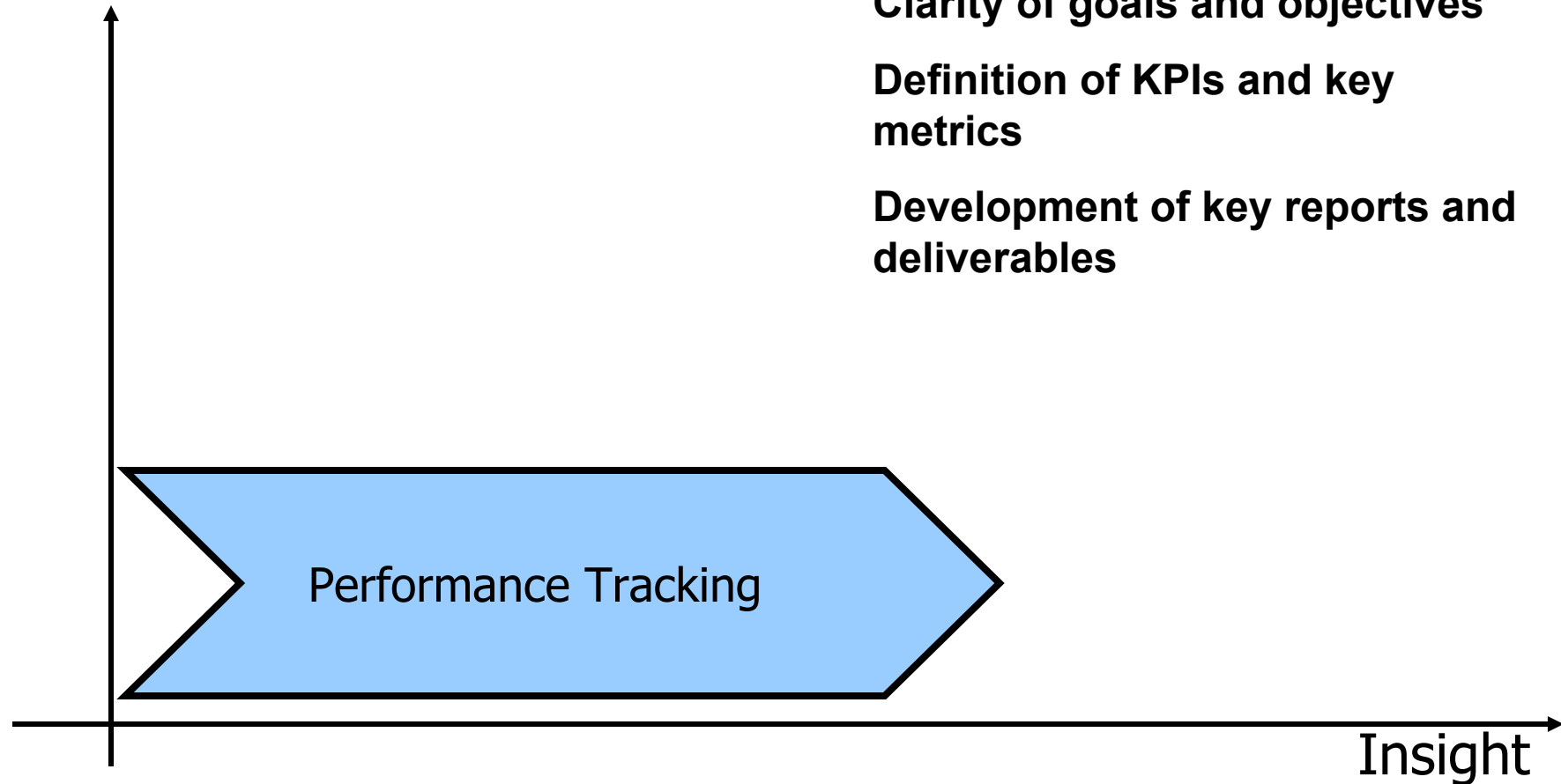
The journey we're all on...

Investment

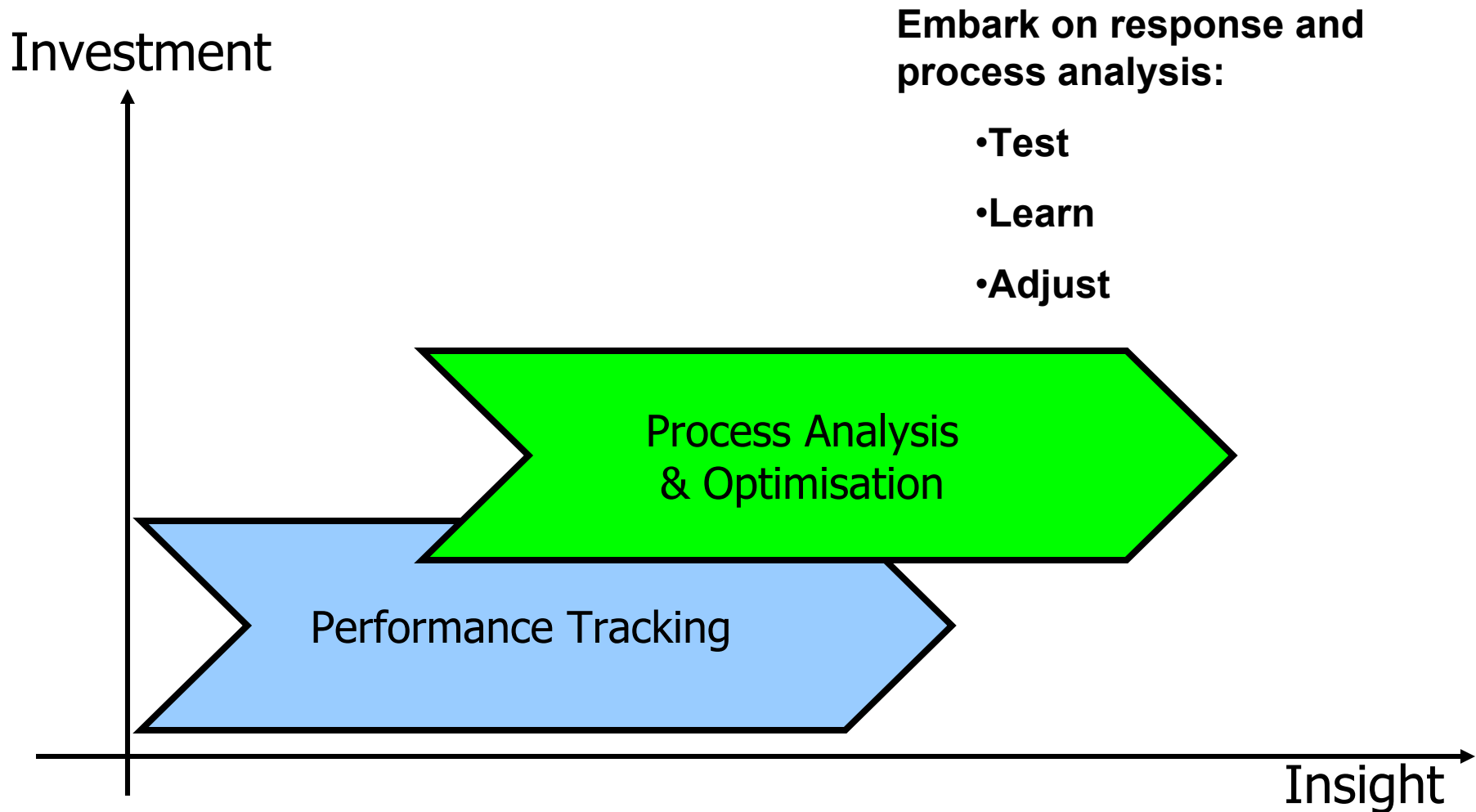
Clarity of goals and objectives

Definition of KPIs and key metrics

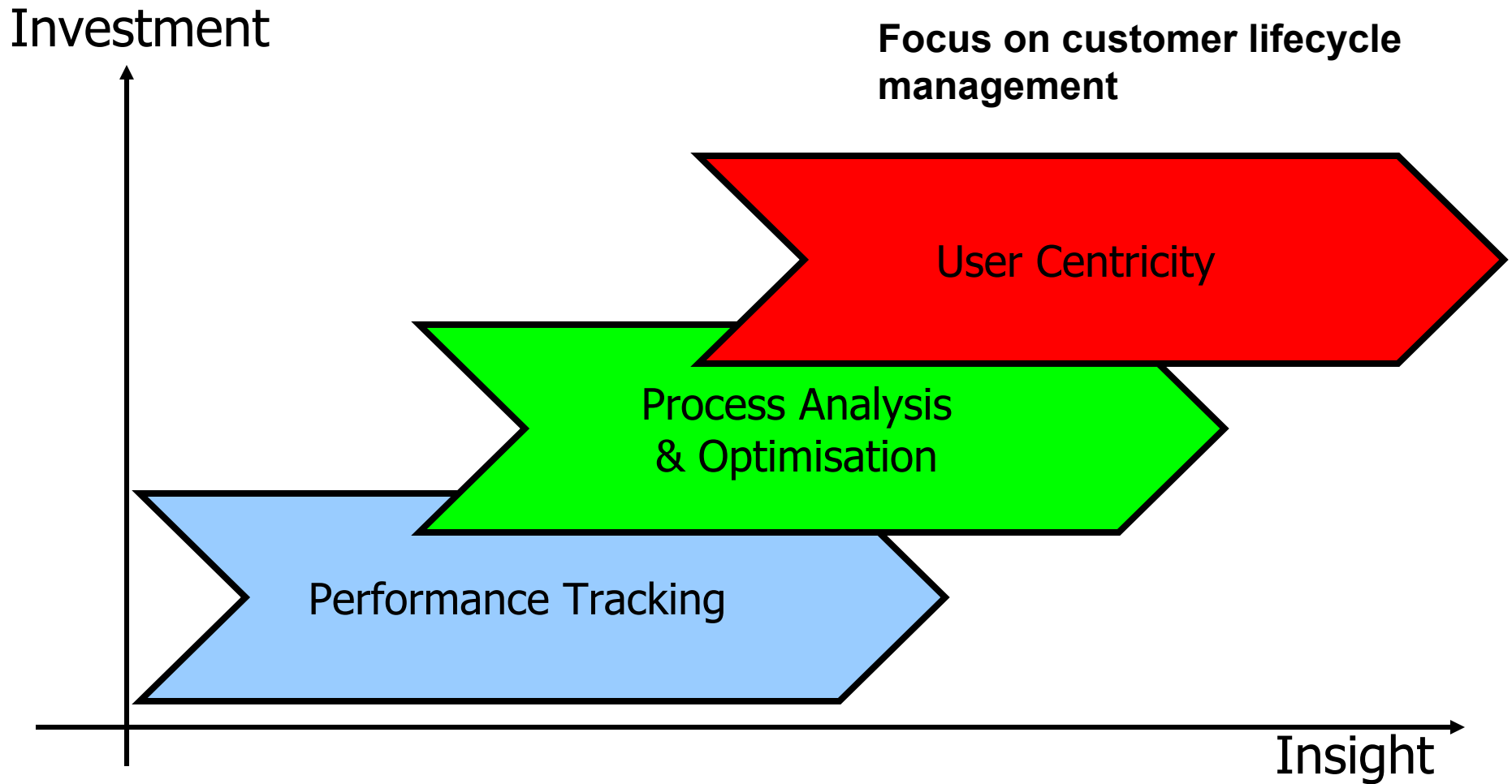
Development of key reports and deliverables



The journey we're all on...



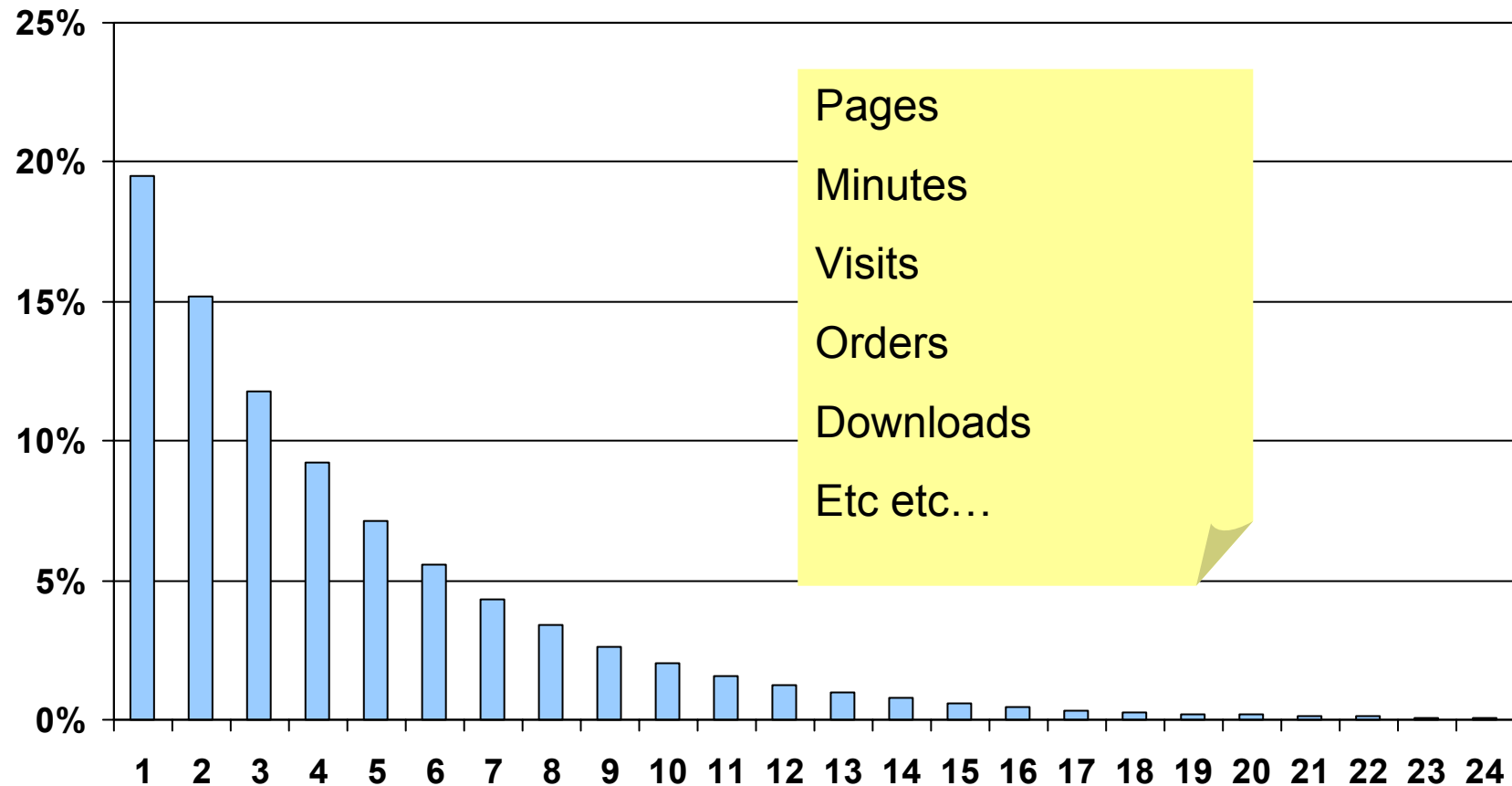
The journey we're all on...



You can lead a horse...



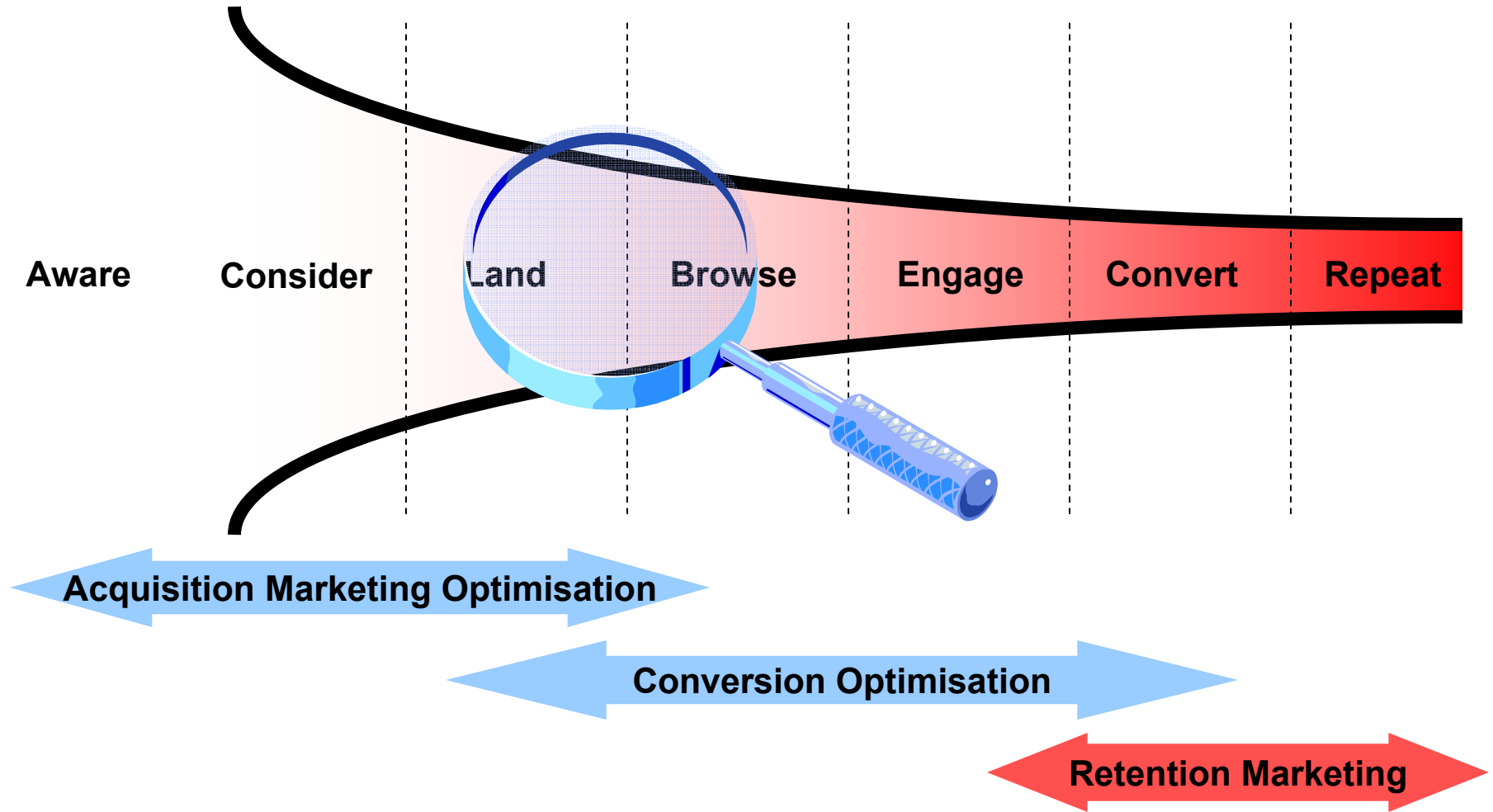
The “long tail” or the “short head”?



The challenge:



The key business processes to generate customer value

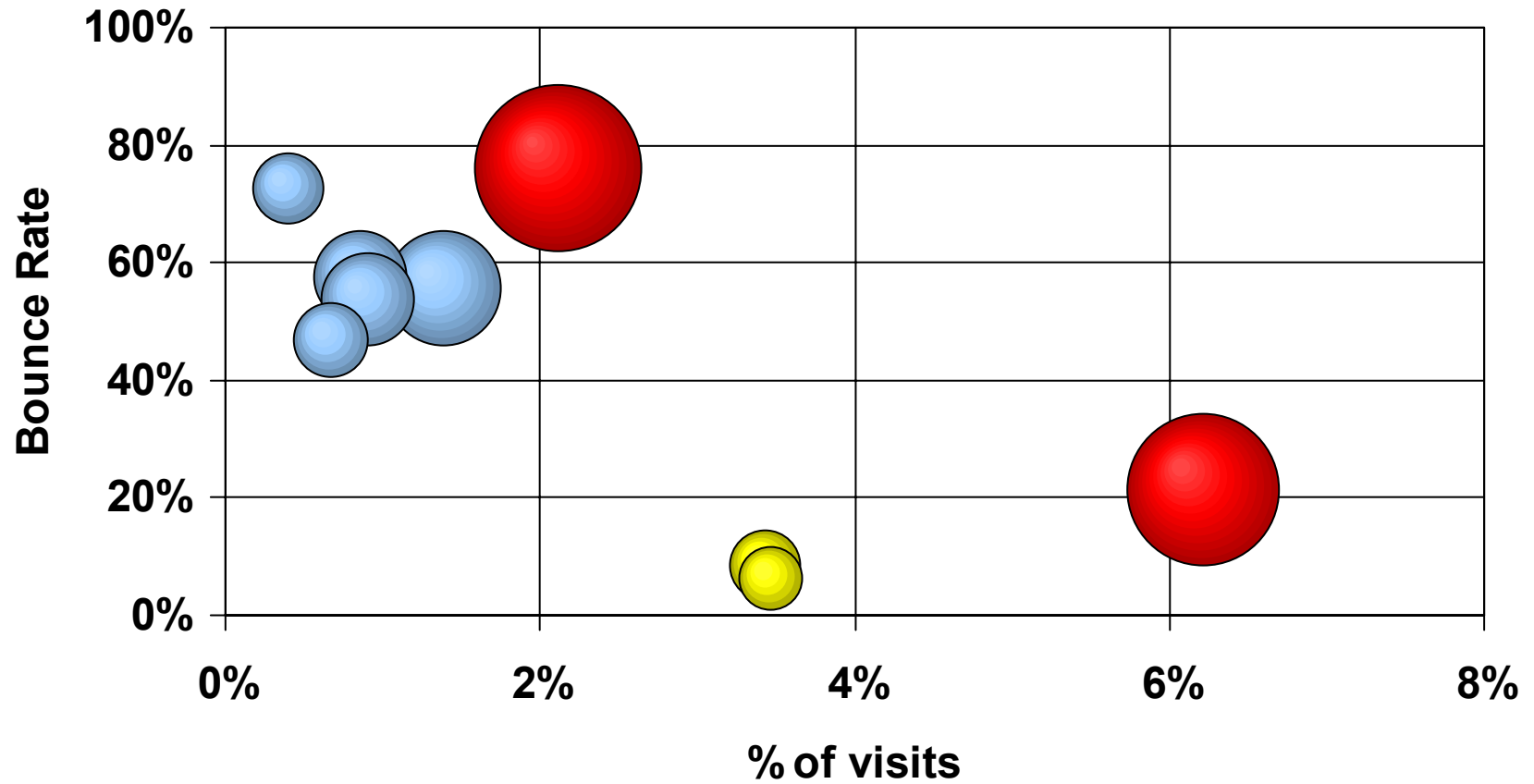


Measure: Bounce rate

- Percentage of visitors who enter the site on a page who then immediately exit the site
- Difficult metric to interpret
- What's a good/bad bounce rate?
- Benchmark internally:
 - Over time
 - Against other pages/sites



Landing page prioritisation



Optimise: Test, learn and adjust...

Accessibility | Legal | Security | Privacy

Lloyds TSB

Personal banking | Business banking | Corporate banking | Private Banking | Car, Home & Travel services

Internet banking | Current accounts | Savings | Credit cards | Loans | Mortgages | Insurance | Pensions & Investments | Money ideas

It's your money, make the most of it

Internet banking
[Find out more](#) | [Register](#)
Log on to:
[Personal banking](#)
[Business banking](#)

Find a:
 Branch Cashpoint®
Postcode:
 [Find](#)
[Other Search Options](#)

Useful information
[Rates and charges](#)
[Contact us](#)
[Ways to bank with us](#)
[About Lloyds TSB](#)
[Lloyds TSB group sites](#)
[Offshore banking](#)
[Media centre](#)
[Investor Relations](#)

Welcome to our new website. We've revamped the entire site and added new tools and calculators - making it even easier for you to make the most of your money. We hope you like it.
[Find out more about our new website](#)

Classic Plus Current Account

Get a current account with one of the leading market-leading interest rates of up to **4.00% AER / 3.93% Gross**, from a bank you can count on.
[Apply for the Classic Plus Current Account](#)

- **A 6.2% typical APR** on loan² of £7,500 or more when you are registered for Internet banking.
- **Upgrade your account.** To select, Gold Service or Platinum current accounts and get **50% off** monthly fees.
- **Outstanding balance each month?** Then the Advance credit card might be the one for you.
- **Create Card.** Create the card that's right for you. Choose your own monthly fee, interest rate (**typical 12.9% APR**) and cashback options.

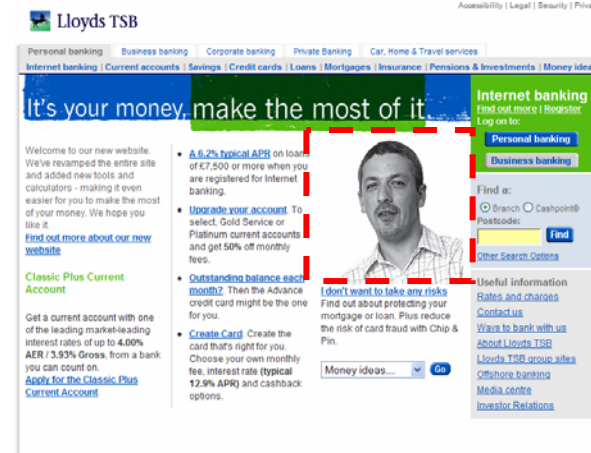
I don't want to take any risks
Find out about protecting your mortgage or loan. Plus reduce the risk of card fraud with Chip & Pin.

Money ideas... [Go](#)

Testing, testing, testing...

•A/B testing

- Systematic comparative testing
- Changing one variable at a time
- Limited options
- Can take time to find optimum option



Testing, testing, testing...

•Multivariate testing

The screenshot shows the Lloyds TSB website homepage. Several elements are highlighted with yellow boxes:

- The top navigation bar, including links for Personal banking, Business banking, Corporate banking, Private Banking, and Car, Home & Travel services.
- The main header area with the slogan "It's your money, make the most of it."
- A central promotional banner featuring a man's face and text about a 6.2% typical APR on loans.
- A sidebar on the right with "Internet banking" and "Business banking" buttons.
- A search bar with a "Find" button and "Other Search Options" link.
- A "Useful information" section with links for Rates and charges, Contact us, and various banking services.

- Handle multiple elements at the same time

- Understand best page “recipe” overall

- Can reduce the amount of time to get valid results

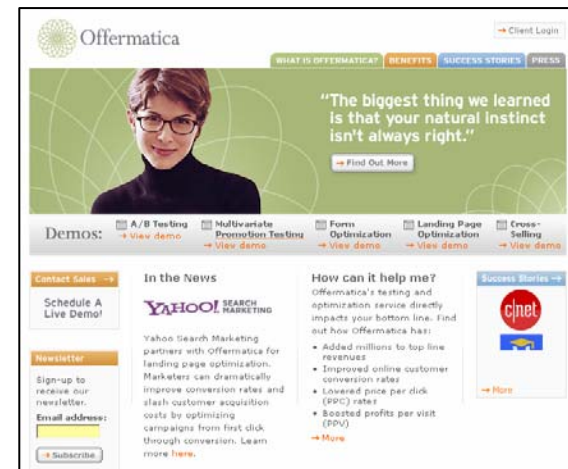
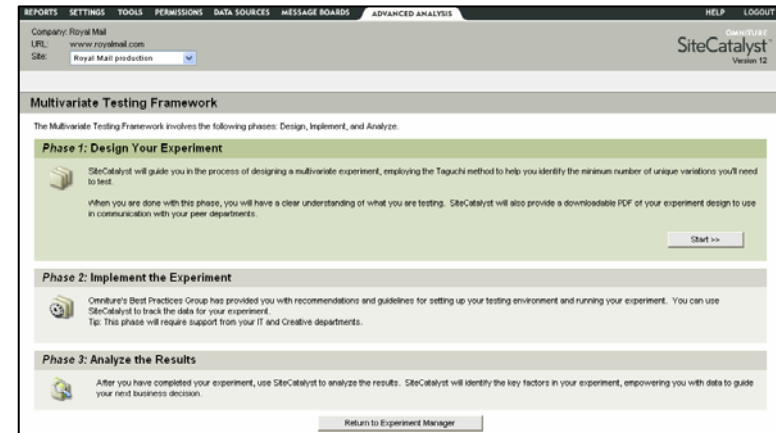
Operational choices

•In-house

- Split traffic to different pages or recipes
- Measure using existing analytics tools

•ASP service

- Service hosted by external provider
- Recipes generated by ASP
- Specialised reporting



User centricity: Automated visitor profiling and behavioural targeting

- Perhaps we used to call this “personalisation”
- Leveraging our understanding of our visitor’s behaviour into the way that we interact with them
- This concept is hundreds of years old
- In today's online world, this process takes place in two steps:
 - Software builds real-time profiles of visitor behaviour
 - Targets most relevant content to each individual



Clear your clutter: sell stuff you're not using. Find out how.

STAR CHOICE

Up to 50% off New Releases



Find all the hottest New Releases, including the essential bible for the cricket season Wisden Cricketer's Almanack. Our Price: £22.78

BROWSE

- Books, DIY & Tools, DVD, DVD Rental, Electronics & Photo, Garden & Outdoors, Gifts, Home & Garden, Kitchen & Home, Music, PC & Video Games, Personal Care, Software, Toys & Games, Video, Used, Auctions

Hello Neil Mason, we have recommendations for you (if you're not Neil Mason, click here).

New & Future Releases



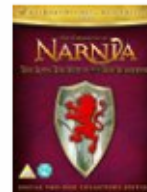
Nanny McPhee [2005]

(Why was this recommended to me?)



Constant Gardener [2005]

(Why was this recommended to me?)



The Chronicles of Narnia: The Lion, The Witch & The Wardrobe [2 Disc] [2005]

(Why was this recommended to me?)

See more New Releases

Recommended For You



Queen And Paul Rodgers - Return Of The Champions

(Why was this recommended to me?)



Queen - Under Review 1973-1980

(Why was this recommended to me?)



Queen - The Making Of A Night At The Opera

(Why was this recommended to me?)

See more Recommendations

Must-have Toy

Mr Potato head gets a Star Wars transformation - Spud Trooper is loads of fun for young or old. See more in Toys & Games. Our Price: £9.95

Are you ready...for the World Cup?



Find out more

Paperbacks -- 3 for £12

Stock up on new titles and old favourites and get 3 paperbacks for £12, including Stuart: A Life Backwards by Alexander Masters. Our Price: £3.99

NEW FOR YOU

Neil, see what's New for You. (If you're not Neil Mason, click here)

Your Shopping Basket



QUICKSEARCH Toys

BROWSE Toy Types

DVD RENTAL

TRY NOW

1 Month FREE Trial



Any 3 titles Learn more

TOY INFO

- At A Glance
- Reviews
- Customer Reviews
- See more by this manufacturer
- E-mail a Friend About This Item

Playskool Mr Potato Head - Spud Trooper

Other products by Hasbro



Our Price: £9.99 & eligible for Free UK delivery on orders over £15 with Super Saver Delivery. See details & conditions.

Availability: usually dispatched within 24 hours.

3 New & Used from £9.98

Manufacturer's Minimum Age: 3

See more pictures



ASIN: B0009Y5REQ

Boxed-product weight: 1 Kg

This item can only be delivered within the UK

Features

- Mr Potato head gets a Star Wars transformation
- The ideal partner to Darth Tater
- Equipped with a potato masher
- A must have for young and old
- Manufacturer's recommended age 3+

RECENTLY VIEWED ITEMS

The Beatles : Anthology [1995]

See more in the Page You Made

Featured Item:



The Beatles Anthology Vol.2 ~ The Beatles

Visit the Books shop

READY TO BUY?

Amazon.co.uk

Price: £9.99

Availability: Usually dispatched within 24 hours

Add to Shopping Basket

or

Sign in to turn on 1-Click ordering.

MORE BUYING CHOICES

the_sharper_edge

Price: £9.99

Availability: Usually dispatched within 1-2 business days

Add to Basket

3 New from £9.98

Get it for less! Order it used

1 buyer waiting! Sell yours here

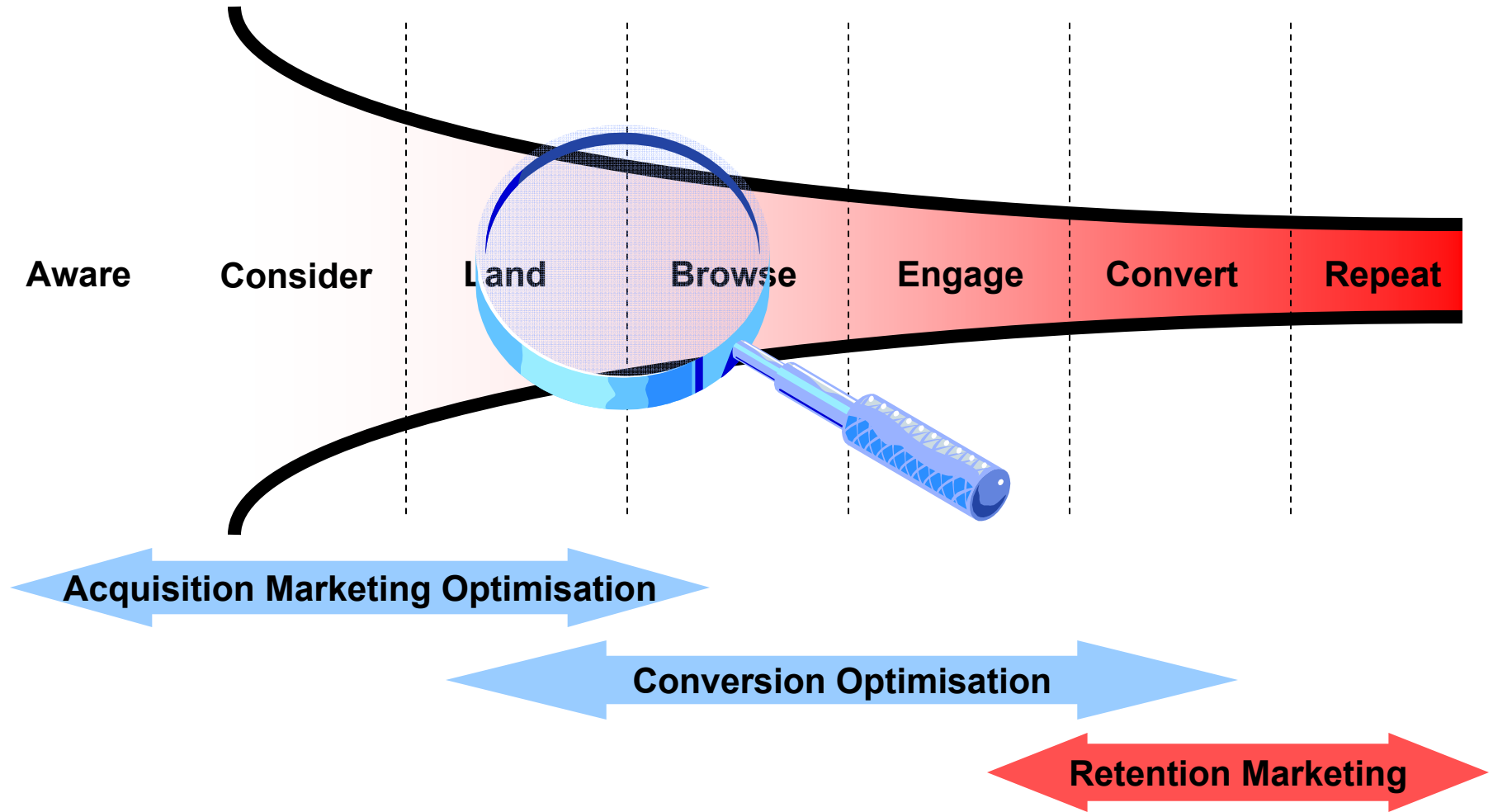
Shopping with us is safe. Guaranteed.

Add to Wish List

Add to Wedding List

(We'll set one up for you) View my Wish List.

The key business processes to generate customer value



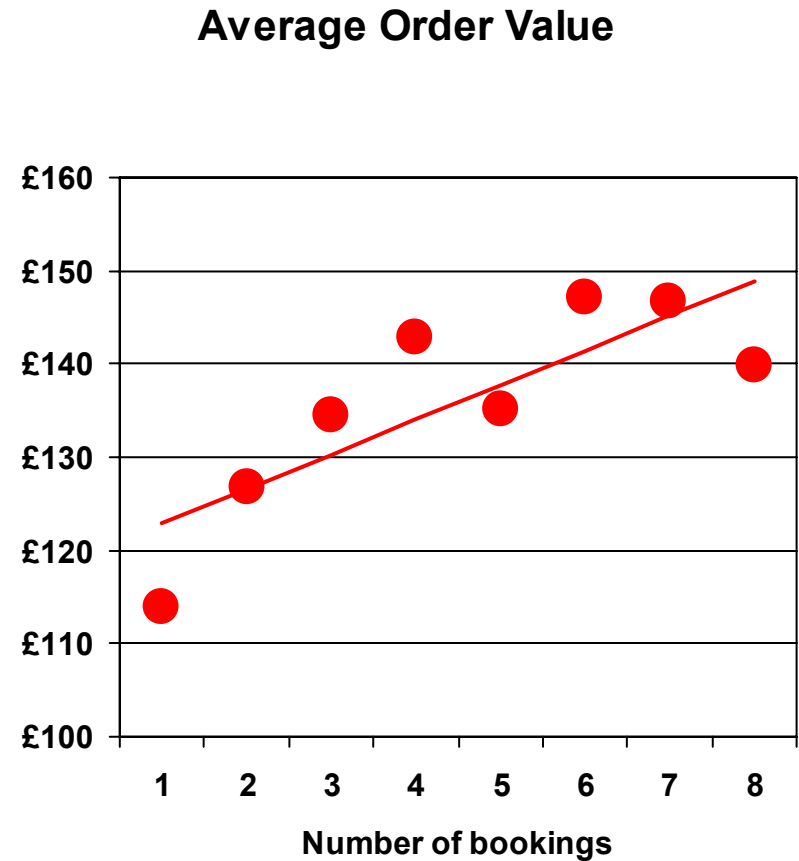
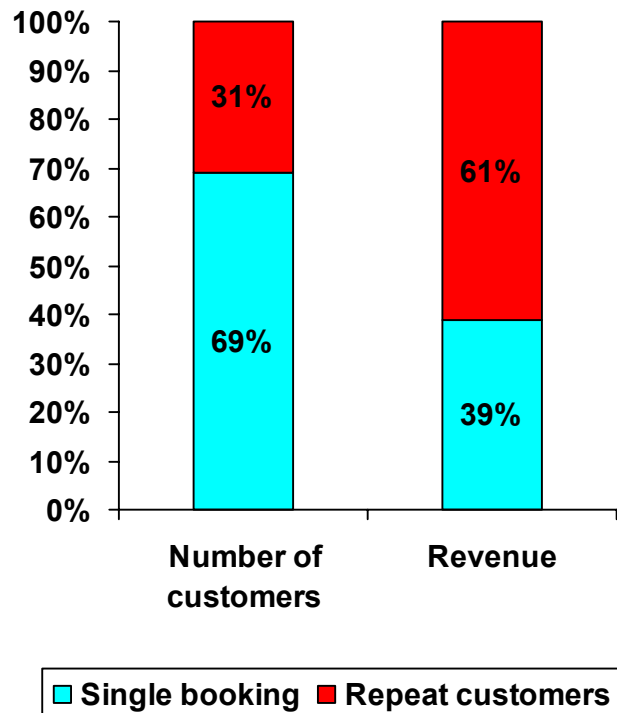
Definition:

Retention
marketing:

The **art** and **science** of converting
people twice

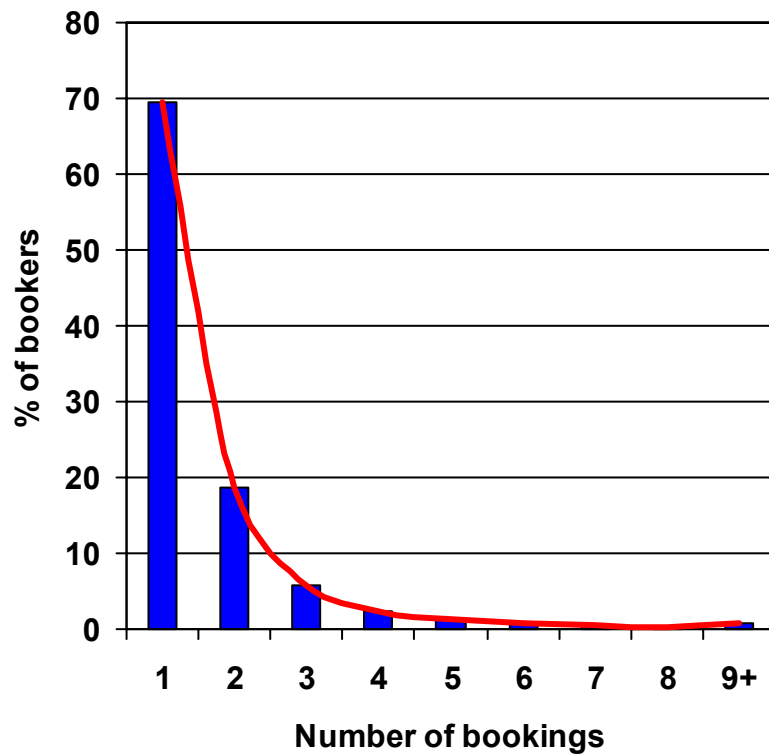
(preferably without the pain and cost
of acquiring them twice...)

The value of repeat customers – car hire example

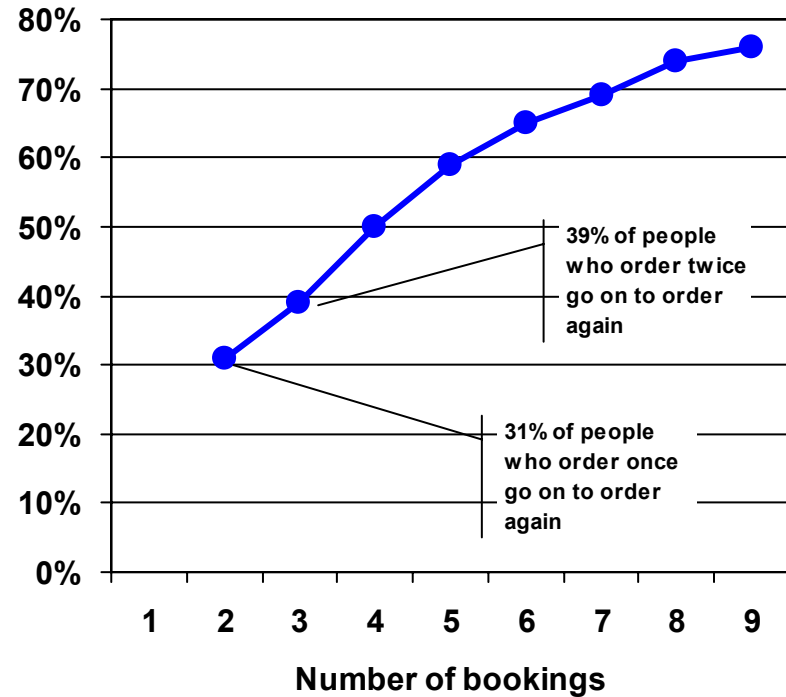


The “friction curve” – car hire example

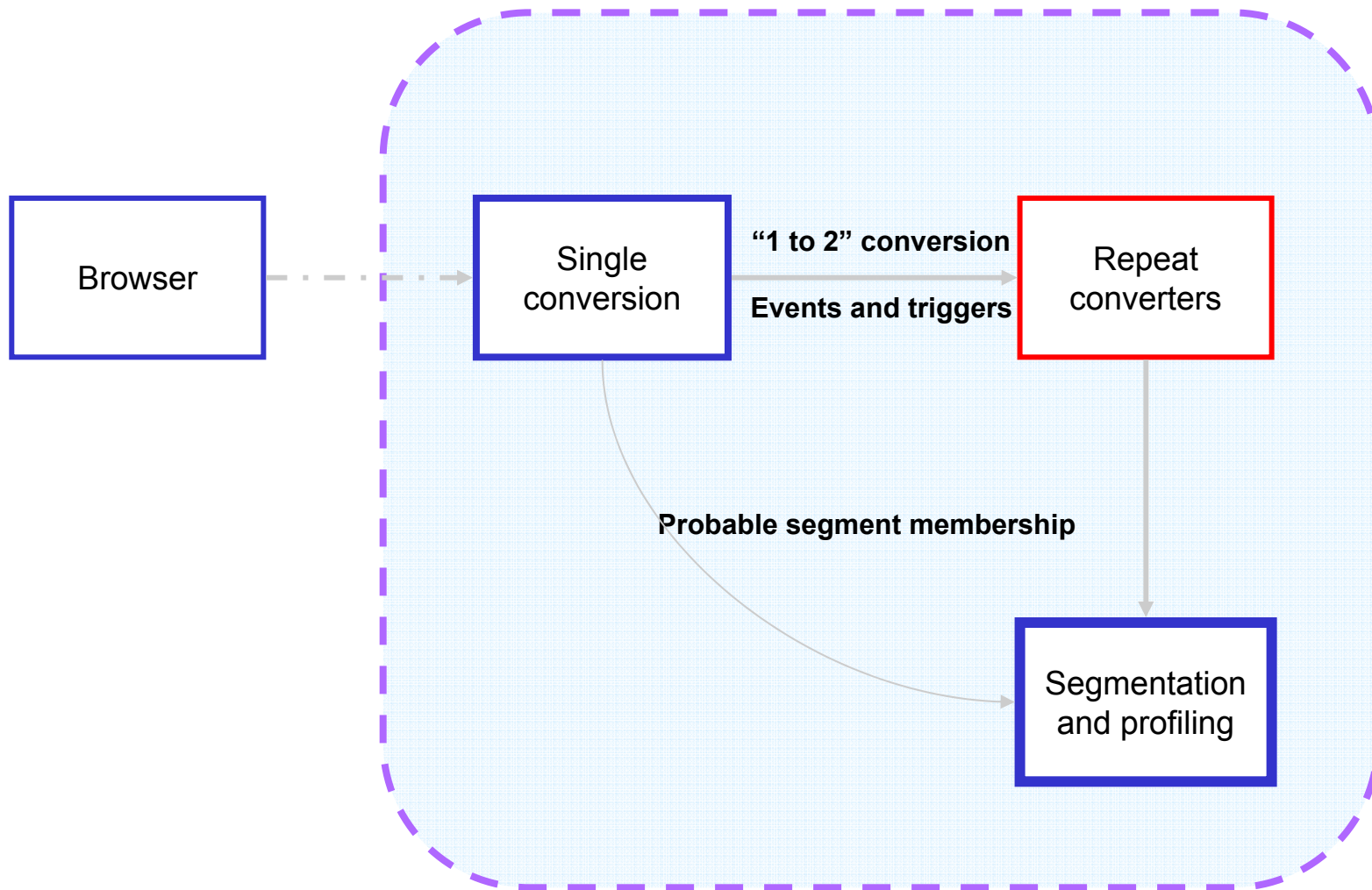
Booking frequency



Conversion rate from (n-1) bookings to n bookings



A retention marketing framework



Overcoming friction: Moving customers from one to two orders

- How to communicate?
 - Email, DM, On site
- When to communicate?
 - Timing
- What to communicate?
 - Content

Conversion rate from (n-1) orders to n orders

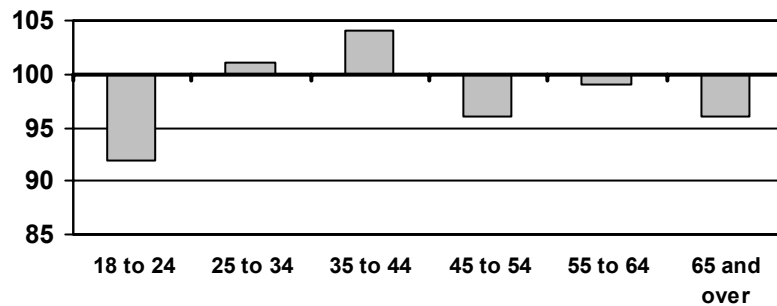


Shopper profiles – repeat buyers compared against new buyers

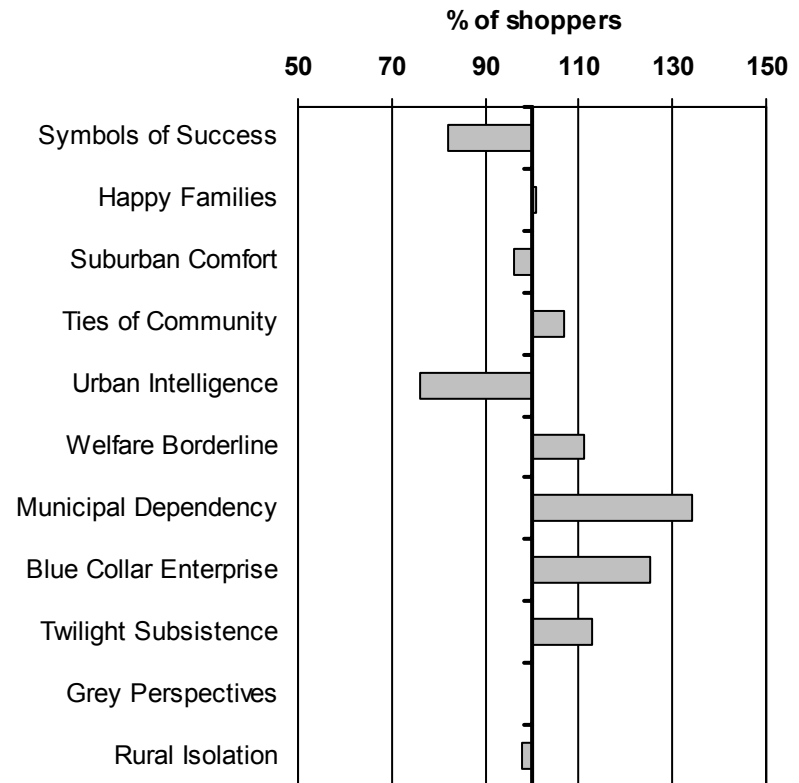
Gender profile



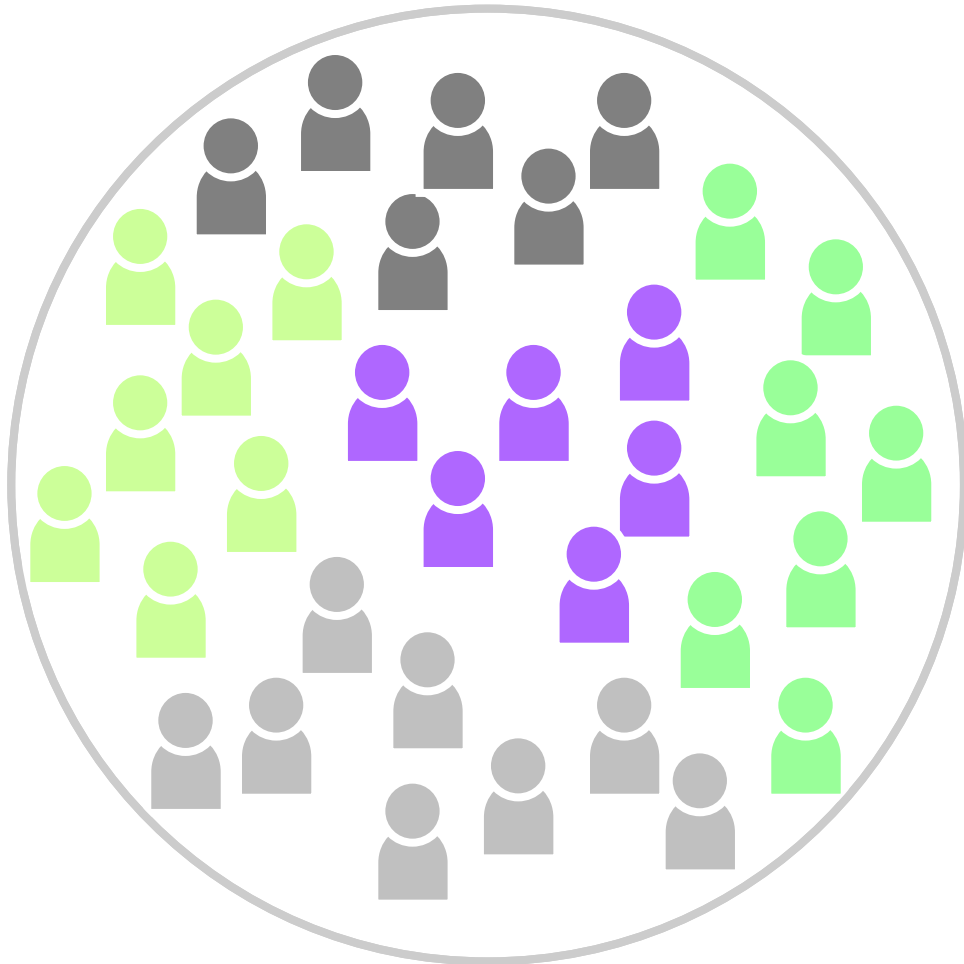
Age profile



Mosaic profile



Creating meaningful segments



- Demographic

- Gender, age etc
- Lifestyle

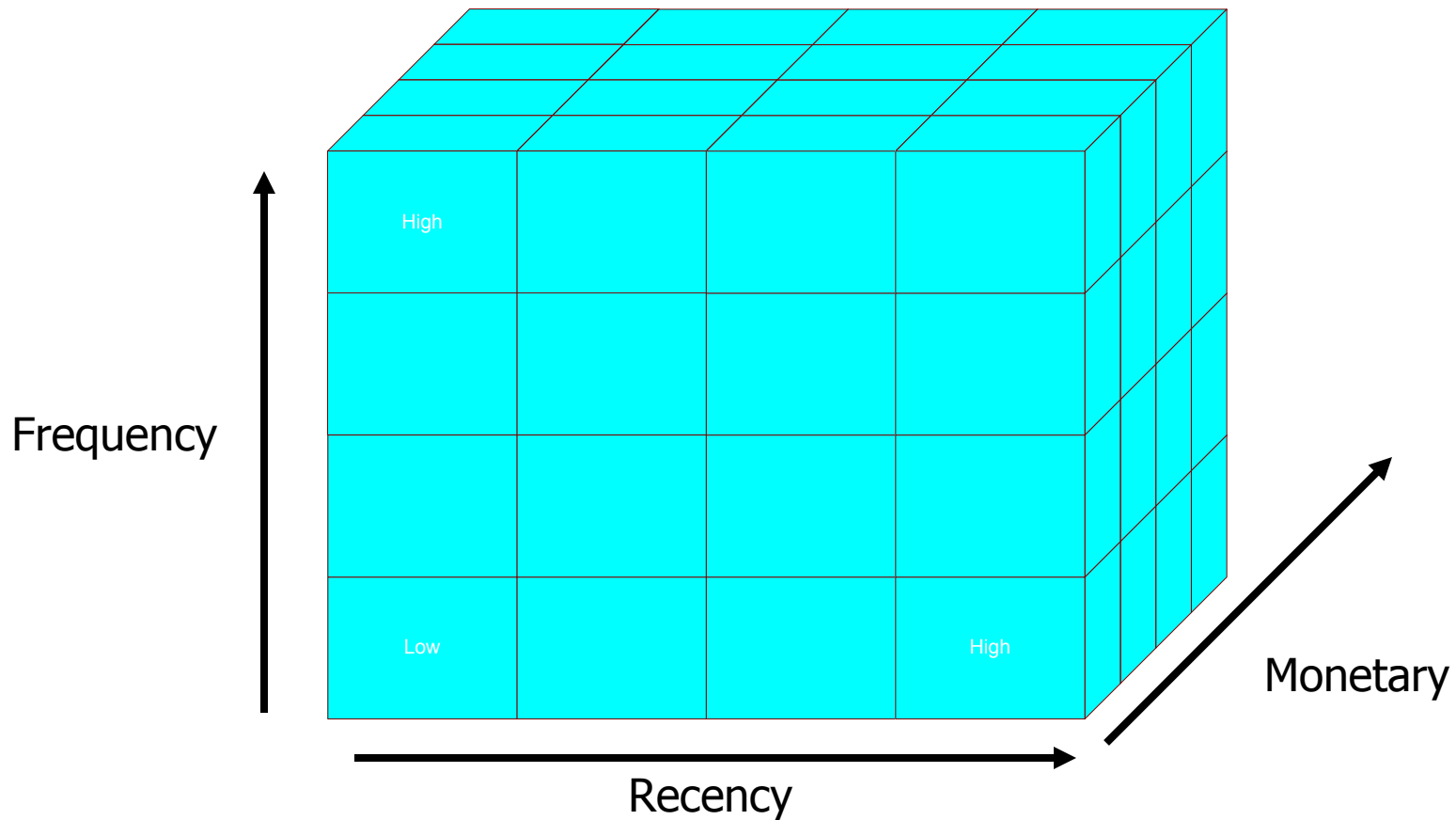
- Behavioural

- Browsing
- Engagement
- Purchasing

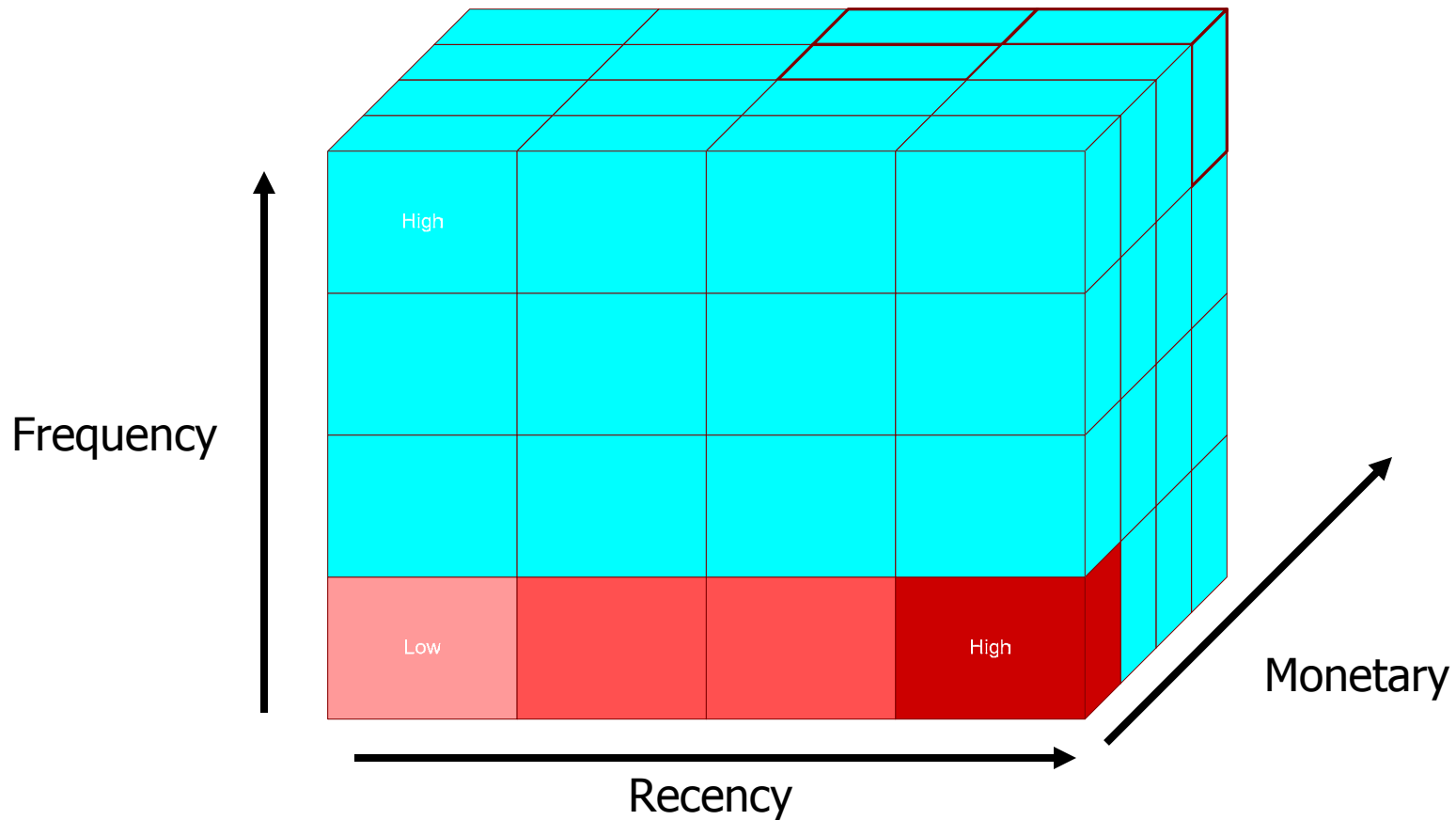
- Attitudinal

- Brand empathy
- Satisfaction

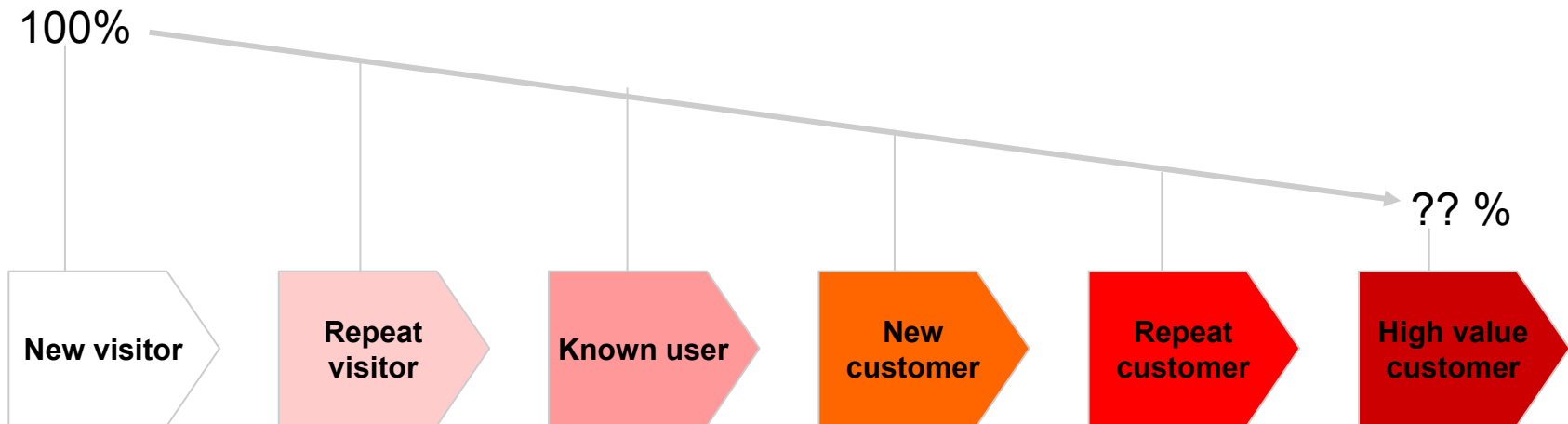
RFM Analysis: Shopper behaviour segmentation



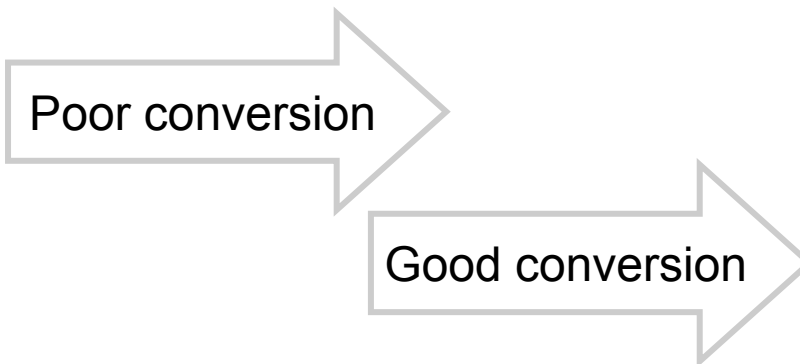
RFM Analysis



Visitor segmentation

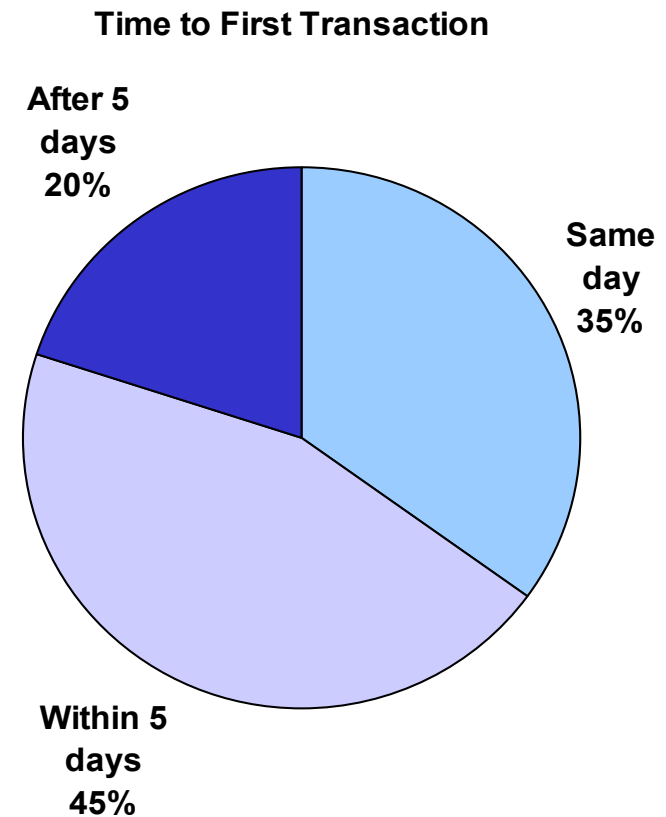


Mini case study:



Looking at user behaviour

- 80% converted within 5 days
- After 5 day gap, low likelihood of conversion
- Issues with navigation and content



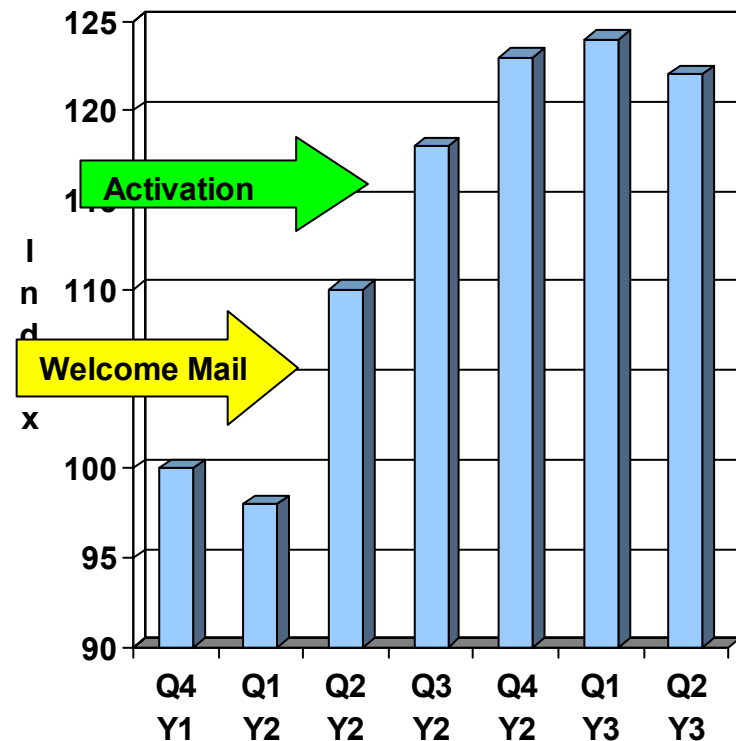
Developing the new campaign

- New email campaign was introduced to touch visitors with the right messages at the right time
- A new “welcome mail”
 - Improved HTML format
 - With key messages targeted at new users
- New “activation mailings” sent people who had registered but not tried the service
 - Sent after 6 days and then again after 20 days
 - Promoting exciting and interesting content

Tracking the results

- Conversion ratio improved by over 20%
- Generated an additional £350,000 in sales

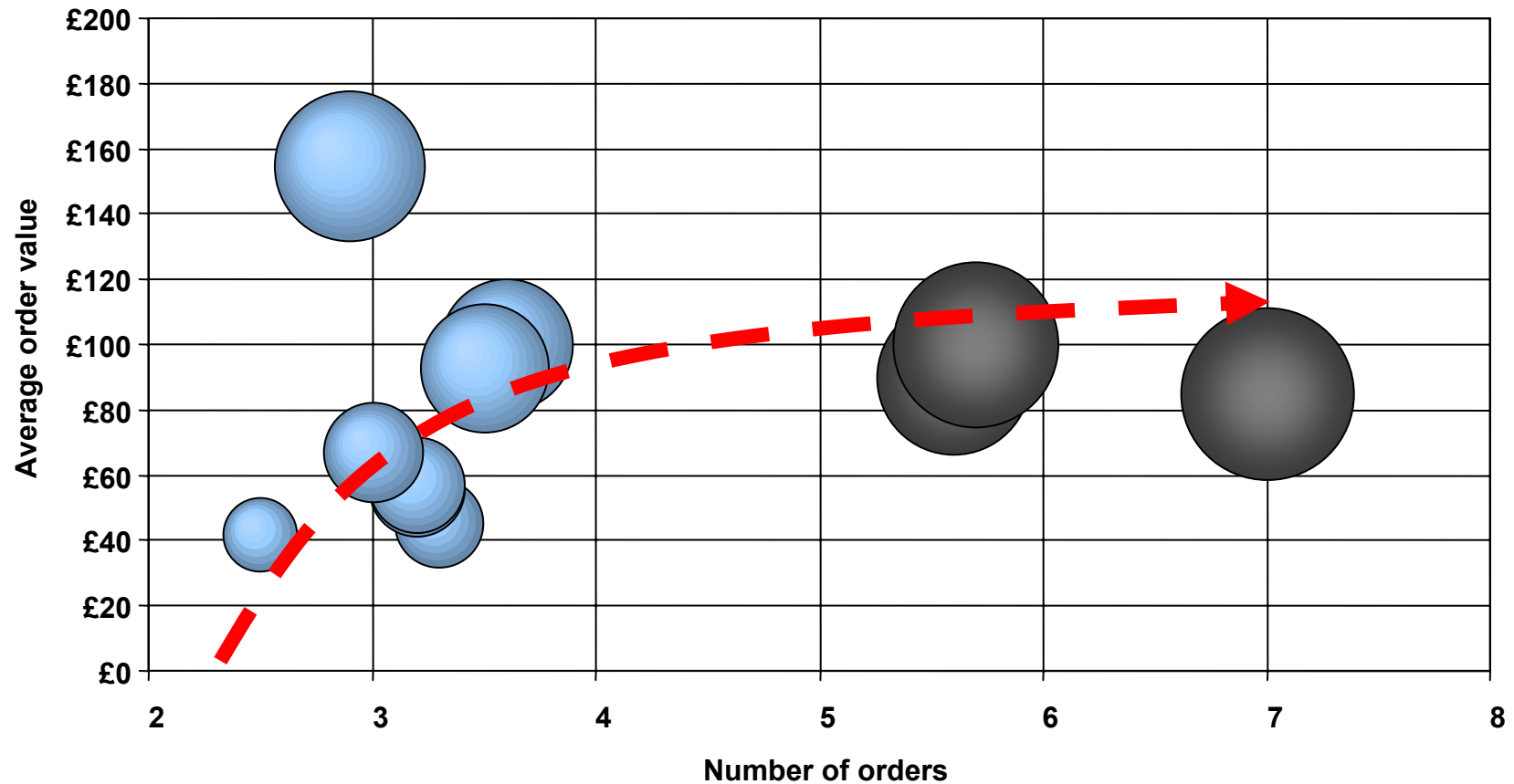
Changes in Conversion Ratio



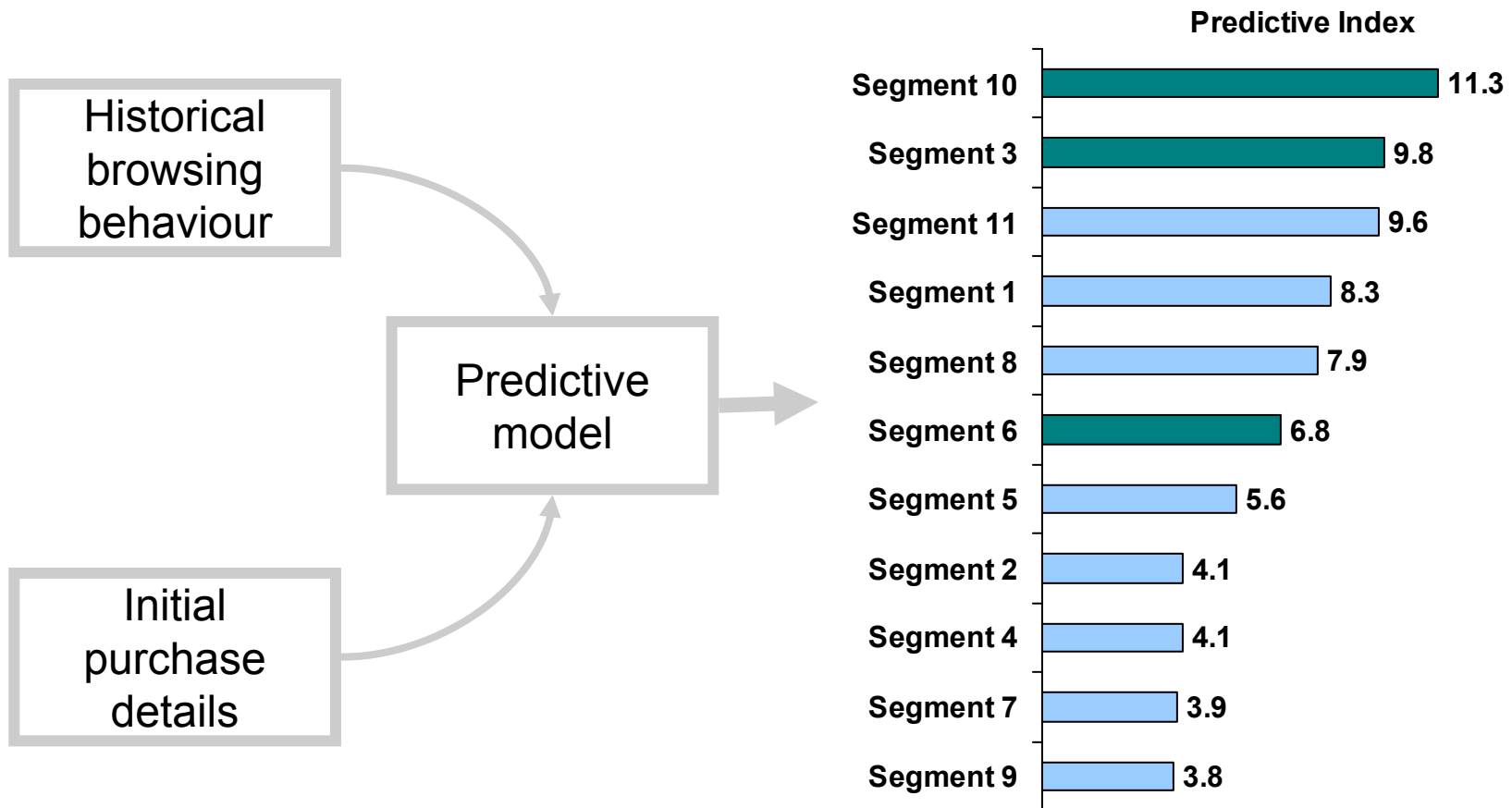
Beyond RFM – content based segmentation

- Segment and classify customer according to consumption:
 - What they buy
 - What they read
 - What they download etc...
- Profile to understand:
 - Demographics (if available)
 - Lifestyle
 - Behaviour

Shopping behaviour will vary by purchasing segment



Predicting future segment membership



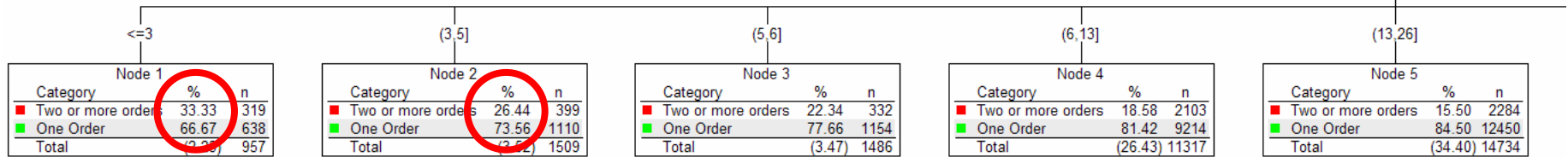
It's all about timing...

Timing of first email appears to make a difference

Number of orders in period

Node 0		
Category	%	n
Two or more order	16.79	7189
One Order	83.21	35637
Total	(100.00)	42826

Days from 1st Order to 1st Email
Adj. P-value=0.0000, Chi-square=466.2425, df=8



The whole tree is not displayed here...

Overall the propensity to order twice doubles if an email is sent within the first 3 days – emailing within 5 days still generates a significant increase in conversion from single shopper to repeat shopper

Operational issues

- The need to integrate the analytical engine with the operational processes
 - Data interoperability
 - Two way links between analytics systems, customer systems and outbound e-marketing systems
 - Segment selection and maintenance
 - Database scoring
- Deployment capability:
 - Systems and tools
 - Resources and skill sets

Thoughts, tips and recommendations

- Significant gains to be made by influencing the early stages of the visitor journey and the customer journey
- Explore testing and optimisation strategies for improving on-site conversion
 - Landing page analysis
 - A/B and multivariate testing
- Analyse and understand why customers buy twice and use that as part of the retention marketing process
 - Content consumption
 - Timings and events
- Look to invest in data integration and interoperability
- **Buy Spud Troopers – they're great!**

Thank you

Neil Mason

e: neil@applied-insights.co.uk

t: +44 (0)20 7870 2214

m: +44 (0)7768 082162

s: neil_mason