



Customer segmentation and insight drive personalised cards and gifts retailer **Moonpig.com** into more successful marketing.

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Since its launch in July 2000, the London based personalised cards and gifts retailer engulfed a 90% market share in just 7 years, growing from strength to strength. They have shipped many millions of cards to a vast array of customers, understanding that engaging with their market demographic is paramount for continued growth.

As the market leading personalised cards and gifts retailer, Moonpig is synonymous with the greeting's industry. Over the last 15 years, it has become a household name offering unique, reasonable and well varied products for every occasion. Moonpig's easy-to-use website and array of choice, pioneered the online card distribution market, and created a hassle-free platform for senders. With quick and reliable delivery, personalisation of products and photo upload options, Moonpig offers undeniable customer satisfaction within the retail sector.

Moonpig's customer database is vast and expanding, with customers at the very heart of the business both physically with call centres operating from head office as well as figuratively with them in mind for all marketing and ATL campaigns. The company has sought to harness the data to really understand their customers' demographics and potential for further buying behaviour.

As with many retailers, a key objective for Moonpig's marketing progression was to encourage single-purchase customers to become regular buyers - a crucial transition which solidifies retention and loyalty.

To achieve this, Moonpig wanted to understand exactly who their customers were, not just by knowing their age, gender and location, but also more in-depth information about hobbies and interests, and their level of engagement with the brand itself. This way, Moonpig would be able to market to people as individuals; they would be able to appeal to the customer's specific interests and increase their brand loyalty. With this in mind, their ultimate aim is to ensure customers purchase the majority of their cards, gifts and flowers through Moonpig, rather than a competitor.

By working with REaD Group, a strategy was devised to tackle the gaps in Moonpig's customer understanding. The first stage was to segment all of Moonpig's customers into manageable groups so they could be understood as standalone groups. This was initially executed on a transactional level, where the data was split into RFM (Recency, Frequency, and Monetary) groups to better understand the transactional behaviour of customers.

Creating valuable relationships

The RFM segmentation was then indexed against the major UK cities, to analyse the penetration rates within each area. The segmentation was subsequently profiled, drawing around 280 lifestyle variables to each individual customer, to build a clear picture of each.

Stage two progressed to group customers into 'pen portraits' to establish how people with similar profiles engage with the Moonpig brand. This grouping enabled Moonpig to identify where the company could organically grow these customer segments through offering new products and services, as well as appealing to other similar consumers within the UK.

Outputs

REaD Group's unrivalled insight gave Moonpig clarity on who its customers are, where they are spending and their purchasing patterns across the brand itself, and other transactions. This understanding permitted Moonpig to fine tune their macro strategic approach which in turn would lead to the creation of enjoyable and loyal relationships with their customers. By understanding the buying patterns of flowers, gifts and cards, Moonpig also has the capability to implement a new gifting strategy and hone its approach to above the line marketing. Additionally, the customer segmentation details served to educate the entire business of the changing face of the Moonpig customer.

Outcomes

This is just the beginning of the insight that REaD Group is able to offer Moonpig and future work will continue between the two organisations. This will commence by conducting a 'Share of Wallet' analysis across all of the site's products, to establish which consumers currently do not purchase products from Moonpig, what their characteristics are, and how the brand can attract these people to purchase from its website.

Armelle Guillet, Customer Experience Director, Moonpig

"Our work with REaD Group has provided us with some fascinating insights into who customers are, both past and present, so we can market to them as appropriate. We now have a detailed and accurate picture of who is purchasing from our website, and identifying these key profiles will undoubtedly help shape the face of the business in the future."