

A woman in a vibrant pink shawl and a patterned beige top is the central focus, smiling broadly with her hands raised in a gesture of joy or celebration. She is surrounded by a diverse group of people, including children and adults, some of whom are also smiling and clapping. The background is slightly blurred, emphasizing the woman in the foreground.

Oxfam segmentation

IOF Insight SIG 19th July 2013



OXFAM

INTRODUCTION

- History
- Segmentation project overview
- What we will do next



In 2010...

Oxfam agreed to work towards greater “supporter centricity”



Why?

- Supporter journeys were patchy and chaotic
- Average product holdings were low
- Growing data opportunities through Trading
- Single Supporter View CRM system up and running since 2008



So then...

- Senior management agreed a governance structure
- Supporter Champions group created
 - All Supporter Types have a “champion”
 - Responsibilities of champions agreed
 - “Central teams” also represented



But...

All Oxfam's marketing is organised in teams with separate objectives and KPIs



Group objective

To ensure that interactions with individual Oxfam supporters are **relevant, coherent and inspiring**, so they know their support makes a difference to overcoming poverty, and as a result are more engaged, willing to promote Oxfam and deliver more value (financial and non-financial) to Oxfam over the period of their support



What are we doing to meet this objective?

- Relevant
 - Macro segmentation project
- Coherent
 - Improved planning process
- Inspiring
 - More emphasis on supporter engagement



Nobody said it was easy...

- Data quality (duplicates)
- Contactability
- Email data integration
- Unsubscribe issues
- Journey automation



Oxfam supporter types

- Regular giver, Single giver, Campaigner, Shop Purchaser, Shop Gift Aider etc
- All Supporter Types split by active and lapsed according to time elapsed since last transaction in that product type
- Maximum number of supporter types any supporter has is 8; the average is 1.16



Pros and cons of supporter types

Pros	Cons
Transactional variables are proven to be powerful for targeting	Supporter communications based around products not supporter
Products are how we make money and get influence!	Possible to be in multiple segments
Ability to use RFV and propensity models	



what problems are we trying to fix?

- Relevance and better targeting
 - For supporter journeys
 - For supporter care
 - For cross-selling
- Inform and guide acquisition
- Create internal prospect pools
- Aid the development of the product portfolio based on customer knowledge



What is it?

- Macro segmentation is an additional layer of segmentation that does not replace Supporter Types, RFV or propensity models
- Macro segmentation is Oxfam's own bespoke lifestyle and demographic segmentation that is:
 - Based on the supporter not the Oxfam products they engage with
 - Applied to the whole supporter database – so we can target, test and evaluate
 - Adds depth and colour
 - One supporter one segment



Doyle's law...

Doyle's 5 criteria for effective segmentation...

- 1. Effective** - Are the needs of people within the segment homogenous but different from the needs of people outside?
- 2. Identifiable** - Can customers in the segment actually be isolated and measured?
- 3. Profitable** - Is the segment large enough to still achieve economies of scale?
- 4. Accessible** - Can the segment be reached in media without too much overlap?
- 5. Actionable** - Does the business have the resources to segment its offer in the first place?



Macro segmentation approach

- Needs to work with minimum data: name and PAF validated address
- Avoids need for additional data capture or research
- More than 90% of our supporters can be segmented
- Partnership with external data supplier CACI
- Quarterly refresh of new supporters



What we did...

- Selected an Analysis partner for Segmentation (r-cubed)
- Supplied our data to them
- R-cubed extracted random 100k sample and sent to CACI, Axciom and Experian
- Using all tagged variables from each data supplier, created clusters to describe our supporter base
- Reviewed three sets of clusters and selected preferred data supplier
- Refined and agreed the segmentation



Macro segmentation...

...is:

A **robust, quantitative insight** into our supporters and their lifestyles

A **planning tool** to improve CRM planning, targeting and effectiveness across the organisation's product portfolio

- reducing comms “wastage” and “clutter”
- Informing channel diversity
- Opening opportunities to use higher cost media effectively where it hasn't been viable before

...is not:

A set of **rules**, or an answer to everything

A **replacement** for existing (effective) targeting models such as RFV and propensity models

Segment profiles will add to these

Definitive about every supporter:

profiles are directional averages and trends

Instant: a supporter may not receive a segment until 3 months after joining



What we will do next...

- Ensure organisational buy-in to prioritised test plan
- Establish rigorous testing principles
- Test and learn



Questions?



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