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Having spent time in eCommerce with Dell Computer, American Express, MasterCard as well as other online retailers and B2B firms, I've noticed an opportunity to clarify how segmentation can be exploited online. The opportunity comes without the dependence on internal systems, including legacy mainframes, databases and homegrown eCommerce systems.

Many marketers are stymied by the perceived dependence on IT systems, including CRM platforms that house customer data, including the age-old Recency, Frequency and Monetary values. While adequate for offline campaigns, these internal systems can be an impediment to driving revenue online. While the end-game will be to eventually leverage existing customer data, a world of opportunity exists to begin what I call Practical Segmentation.

### **WHAT IS PRACTICAL SEGMENTATION?**

Practical Segmentation is leveraging low cost cloud solutions to best understand and respond to visitor behavior online and influence conversion. Low cost cloud solutions can be leveraged to begin developing and storing segments of users based on several criteria:

- Referring websites visitors came from to arrive at your website
- Keywords visitors searched to arrive at your website
  - "Quality" used as part of a keyword search is an indicator of the need for reassurance, such as product reviews, recommendations, Likes, etc.
- Navigation on your website and social media properties:
  - Privacy Page
  - Contact Page
  - Facebook Page
  - Product Page
  - Shopping Cart

Ideally, you will develop a manageable number of segments that consist of combinations of pages visited by your online visitors. For example, visitors that click on the Privacy Page after arriving at your site by using the key word “low risk” in the Google search box need reassurance and may be categorized in a segment call “Risk Avoiders.” These same visitors will want to see reassuring language that includes protection of personal information. As your segmentation journey continues, the ID collected for visitors stored in cloud solutions is part of their respective segment and leveraged for presentation of the most appropriate content at the appropriate time.

In the short term, the segments you create will be valuable indicators of website changes that will drive revenue. In the long term, these segments will allow you to leverage relevant content to deliver personalized and highly relevant experiences to your visitors. How is this accomplished?

## **RISK AVOIDERS**

You have successfully identified and developed a segment of 100,000 visitors called Risk Avoiders based on one of or several indicators:

- Visit to Privacy Page
- Keyword “low risk” used in search term to arrive at website
- Visitor arrived to website from Consumer Reports Online

## **PERSONALIZATION OF CONTENT**

Online retailers cannot tell the same story to every website visitor. The reason conversion rates have hovered around 3% for the past 10 years is because the right message and story is not optimally presented to the right audience online. How do we get started?

Remember the segments we created, one of which was Risk Avoiders? Well, we removed the obstacle of reliance on internal IT systems and are storing the segments and IDs in a secure cloud environment. What’s next?

When Risk Avoiders appear on our website, we dynamically personalize content to reinforce messaging that supports their needs like the following:

- Money back guarantee
- Recommendations
- Content that reinforces quality, in business for over 50 years, etc.

By catering to the needs of this segment, we are increasing the opportunity to drive revenue even if it’s the very first time a visitor appears on your website. This is surprising to many marketers, but is in fact achievable with cloud-based solutions that do not rely on internal IT systems.

The right web analytics tool coupled with the ability to observe behavior online will allow you to create high impact segments and learn about key gaps with your current website. The good news is that the gaps are often not too difficult to overcome.

What about the data collected in an internal IT system? Isn’t it important? Of course, but that’s the subject of my next 2 pager.