

Market Segmentation helped Hertsmere Leisure unlock 250 new members and £40k annual income

Hertsmere Leisure Trust, April 2011

Key messages

- Market segmentation data can be used in combination with user databases to generate bespoke marketing materials and increase membership take up.
- Innovative approach, delivering key marketing messages to target audiences
- Maximising impact of marketing budgets by targeting to audiences

Background and issue

- Hertsmere Leisure operates 15 facilities in 3 different local authority areas.
- There was a challenge to attract new members to one of the gyms, Beaumont's, to meet participation objectives and bottom line.
- The Trust had previously used generic newspaper advertising to complement banner advertising and door to door leaflet drops.
- Sport England's Sports Market Segment data was identified as a potential way of trying a more targeted approach, to attempt to get a better return on her investment by 'talking' to the right non-members; those who were most likely to join.
- A targeted mail campaign was identified as the best approach for this work.



What did we do?

- Hertsmere used a leisure database reporting and marketing company, Cascade3d, who combined the Sport England Market Segmentation data with the live membership data held within Hertsmere's Leisure database. This enabled them to deliver a powerful data driven campaign to drive up participation rates.
- The next step was to map the existing member addresses to identify the catchment areas of the gyms Hertsmere Leisure wanted to promote and to then profile these members against the Sport England market segmentation. These two pieces of work meant that they knew both where people who join Beaumonts live and what 'type' of people they were. This created a clear target market to promote to.
- With so many people already belonging to the Beaumonts gyms it was important to only promote to non-member addresses and not waste any of the Trust's money being invested in this campaign, so the next step was to de-duplicate the existing member households from the local address data.

What did we do? (continued)

- Addresses were selected for people in the catchment who were likely to take up this gym offer; Chloe, Phillip and Alison met the criteria (and were responsive to direct mail). Market segmentation data was used to find addresses.
- With the target address data in place Cascade3d worked with the design and print team to develop postcards with the images, colours and wording changed for each segment. This meant that Hertsmere were sending the right message to the right people, in the right way at the right time – real targeted marketing.
- The final part of the jigsaw was to build a database report for Hertsmere that would report on the uptake from the target addresses and to calculate the ROI for the campaign. This provided the results live at any time during the campaign with the click of one button. The report was also able to analyse what types of members joined and from what type of address, insight that could drive future campaigns and get even better results.



The results

- Previously Hertsmere Leisure casting its net wide using generic adverts to engage with all 400,000 households. For this campaign Hertsmere sent highly targeted postcards to the top 15,000 local addresses of non-member who were profiled as likely to join her gym.
- The ROI report demonstrated that an initial investment of £7,000 in this campaign resulted in over £40,000 of new annual income from more than 250 new prep-paid members – an ROI of over 450%, with evidence to prove the direct impact of this campaign.

Lessons

- Combining Sport England segmentation data with existing membership data to help target the right addresses, and removing existing member addresses to maximise the investment in new members.
- Using variable digital printing to send different messages to the different types of people
- The ability to report on the results so that everyone involved could assess the impact.

For more information contact:

Jude Lewis, Marketing Director – Hertsmere Leisure (Jude.Lewis@hertsmereleisure.co.uk)

Pete Eastwood, Marketing Services Manager - Cascade3d (petereastwood@cascade3d.com)