

Digital Segmentation

How online behaviour and digital adoption varies across the UK population





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The Digital Consumer

Marketing is all about understanding your audience. This, as most marketers would agree, is because the most important aspect of marketing is customer experience.

A brand's ability to deliver accurate, relevant and tailored experiences can be the difference between success and failure.

To build a customer experience framework for your customers you need to know them. Who they are, how they behave and how they're **likely** to behave.

There is a huge amount of sophisticated technology out there and because of this there are more ways to communicate with customers than ever before. As well as the more mainstream methods (email, SMS, direct mail), it's now possible to email a watch, text a fridge and target specific adverts to the TV sets of specific customer types.

What's more, the sheer volume of data being produced in the online environment is staggering. Marketers are able to build quite sophisticated and robust profiles of individuals and customer types using a mixture of first and third party data.

As you consider the possibilities of this environment it's worth asking yourself – **Do you really know your customers?**



'A brand's ability to deliver accurate, relevant and tailored experiences can be the difference between success and failure.'



The Digital Audience Conundrum

Segmentation is an exceptionally effective tool. One that is used across the business, not just in marketing.

Traditionally, segments of audience are built around a range of factors such as geographic location, income, age and wealth. However, when we consider the digital landscape there's another factor we have to consider: **Digital segmentation**.

Different people behave differently online. Whether that's shopping, browsing or for business. Digital segmentation also includes the types of device people use and what they use them for.

Everyone knows people who aren't that engaged online – who aren't on social media, barely check their emails or don't own a smartphone. This can be due to age, profession, or simply because they don't want to.

For many brands, how digitally engaged an individual is has little bearing on how potentially valuable they are as customers. Just because the volumes of data available in the digital landscape allows for sophisticated and technologically advanced processes it does not mean that you should be focusing on them.

Similarly, if you know your most valuable customers only really access the web from their PCs, there's little point in investing heavily in a primarily mobile campaign.

This is why there is another segmentation approach you need to layer over the traditional geo-demographic tools. **Do you know how digitally-engaged your customers and prospects are?**

With this in mind Experian has created some digital personas to complement our existing Mosaic segmentation tool. In this way we can combine the traditional geo-demographic segmentation with digital segmentation.

Whether you use Mosaic or not, hopefully what follows will prove useful.





Digital Segmentation

Based on Experian analysis of the online population there are 11 distinct digital personas in the UK population.

Each persona exhibits different behaviour online in regards to attitudes towards technology and immersion in the digital environment. In addition, the personas have widely different access and speed of services at home and on mobile devices.

Considering the personas as a whole, it quickly becomes clear that there is a wide spectrum of engagement. From people who are fully active and engaged online (often the so-called 'early adopters'), to some who are partly engaged and finally others who have little or nothing to do with the digital world.

These population divisions have important implications for every brand when considering business models, marketing strategy and product development.

The UK population can be segmented into 11 digital personas

GROUP	DESCRIPTION	% 	% 	
A	Capital Connections	4.18	3.76	Leading Edge  34.89%  37.07%
B	Digital Frontier	6.15	7.47	
C	Mobile City	8.24	7.23	
D	First-Gen Parents	10.75	11.59	
E	Aspirant Frontier	5.57	7.02	
F	Online Escapists	18.62	20.16	Day-to-Day  50.24%  55.07%
G	Upmarket Browsers	12.87	13.92	
H	Savvy Switchers	12.21	13.96	
I	Cyber Commuters	6.54	7.03	
J	Beyond Broadband	3.39	3.62	Being Left Behind  14.87%  37.07%
K	Tentative Elders	11.48	14.83	



The Three Tiers of Digital Engagement

Based on this information it is possible to split the population into three larger tiers. Over the next few pages we will pull out three example segments, one from each tier, and dive a little deeper into the sorts of people they are and the types of behaviour they are more likely to exhibit.

The Leading Edge Digital Enthusiasts

Just over one-third of people in the UK (**34.89%**) fall into the leading edge users of digital technology. They have the most devices, spend more time online and use digital services for a wide range of activities.

These individuals are at home in the digital world and would find it extremely hard to do without it.

Digging further into this tier, we find five distinct personas with corresponding geographic locations around the country that have the highest proportion of these types of people:



A	B	C	D	E
CAPITAL CONNECTIONS	DIGITAL FRONTIER	MOBILE CITY	FIRST-GEN PARENTS	ASPIRANT FRONTIER
Affluent urban professionals immersed in digital technology, which plays a key role in the way they organise their lives	Young adults with sophisticated online behaviour making full use of modern devices and social media	Members of diverse urban communities, some comfortable, some challenged, who are avid users of social media and mobile	Members of the first digital generation who are now starting their own households and careers	Young singles and students exploring the cutting edge of latest social media and digital innovations
Kensington and Chelsea	Hatfield and Glasgow Central	East Ham and Stratford	Dartford and Aldershot	Birmingham Northfield and Sheffield Central



Spotlight: **Digital Frontiers**

An excellent example of the more digitally-savvy end of the spectrum are Digital Frontiers. These are young people with modest incomes who are extremely comfortable in the online environment.

They are heavy users of social media, ardent game players and streamers of online content. This group keeps up-to-date with the latest gadgets, which are central to their social lives and everyday entertainment. As might be expected of this age group, they book many cinema trips online and are some of the heaviest users of online dating sites.



KEY FEATURES

- Modest income
- Frequent app downloaders
- Cinema and dating
- Frequently stream video and gaming content
- High online competence
- Many live with parents



DIGITAL FRONTIERS: WHO WE ARE ...

AGE



26-35

25.4%

141

HOUSEHOLD INCOME



£70k-£99k

12.7%

184

HOME BROADBAND SPEED



>50MB/s

19.9%

95

MOBILE INTERNET TYPE



4G

37.1%

137

SOCIAL NETWORK FREQUENCY



High

53.3%

129

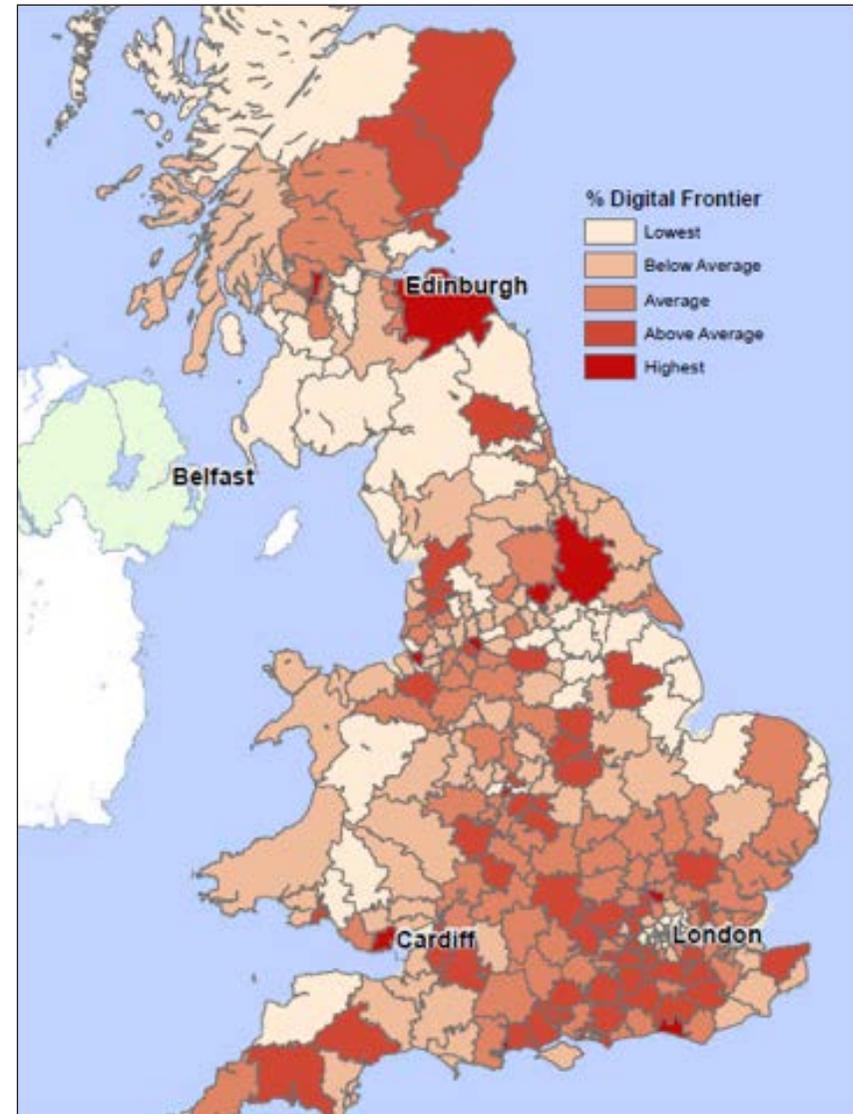
INTERNET COMPETENCY



Very Internet Savvy

45.0%

144





Practical Day-to-Day Users

Just over half the population (50.24%) are practical day-to-day users of the internet and digital services. Their use is characterised less by enthusiasm for technology and the latest must-have and more by a set of practical uses that benefit them on a day-to-day basis. This includes looking things up, paying bills, entertainment and exchanging information on social media.

F	G	H	I
ONLINE ESCAPISTS	UPMARKET BROWSERS	SAVVY SWITCHERS	CYBER COMMUTERS
Singles and families with squeezed finances using digital technology for everyday entertainment	Affluent older families in suburban areas with upmarket tastes making practical use of digital technology	Mature middle-income suburban families using digital technology for entertainment and searching for online bargains	Affluent families living urban lifestyles in rural settings, making practical use of digital technology for information and shopping
Bootle and Hartlepool	Epsom and Maidenhead	Hempstead Valley and Chorley	Cirencester and Evesham





Spotlight: **Cyber Commuters**

This affluent group enjoys the benefits of a largely urban lifestyle in rural suburbs across the country. They are practical users of digital technology, both for work and leisure and their choice of websites demonstrates an interest in outdoor pursuits and home and garden products.

They use the internet to manage their finances, as an information source and to order groceries. Many suffer lower-than-average internet speeds, but are at the forefront of demanding higher speed roll-out into rural areas.



KEY FEATURES

- Rural homeowners
- Lower internet speeds
- Online grocery shopping
- Outdoor pursuits
- Manage accounts online
- Home and garden products



CYBER COMMUTERS: WHO WE ARE ...

AGE



36-45

26.7%

142

HOUSEHOLD INCOME



£100-£149k

7.0%

215

HOME BROADBAND SPEED



Up to 8MB/s

35.7%

206

MOBILE INTERNET TYPE



3G

44.3%

107

SOCIAL NETWORK FREQUENCY



Medium

24.5%

106

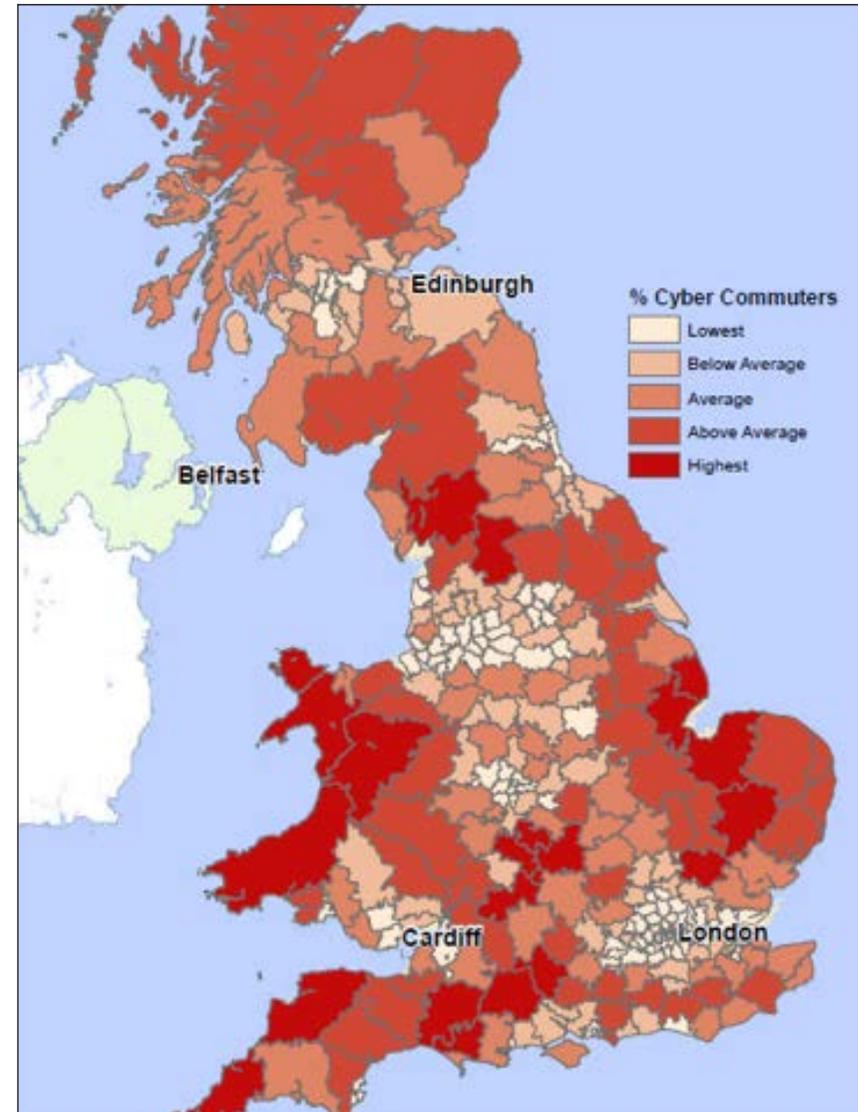
INTERNET COMPETENCY



Fairly Internet Savvy

56.7%

100





Being Left Behind

A total of 14.87% of the population are being 'left behind' by the digital revolution. This could be due to age, occupation or because they don't have access to broadband.

J	K
BEYOND BROADBAND	TENTATIVE ELDERS
Older and retired households enjoying life in isolated rural areas beyond broadband, and with limited interest in technology	Elderly singles and households with little to no interest in, or access to, digital technology
Inverness and Camarthen	Skegness and King's Lynn





Spotlight: **Tentative Elders**

This older group is largely disconnected from the digital world. Having grown-up long before the rise of digital technology, they have the least interest in or experience of personal devices or the internet.

Overall they make little use of the internet except for ancestry and hobby sites. For some, keeping in touch with distant relatives may involve Facebook or photos, but they are highly unlikely to own modern digital devices or use social media. They prefer traditional marketing channels, be it face-to-face, direct mail or landline telephone.



KEY FEATURES

- Landline or postal channels only
- Ancestry and hobby sites
- Infrequent internet use
- Unlikely to own modern devices
- Unlikely to use social networks
- Low internet competency



TENTATIVE ELDERLY: WHO WE ARE ...

AGE



66+

72.9%

408

HOUSEHOLD INCOME



<£15k

7.0%

215

HOME BROADBAND SPEED

Up to
16MB/s

16.6%

117

MOBILE INTERNET TYPE

Neither

57.0%

180

SOCIAL NETWORK FREQUENCY

Disengaged

24.5%

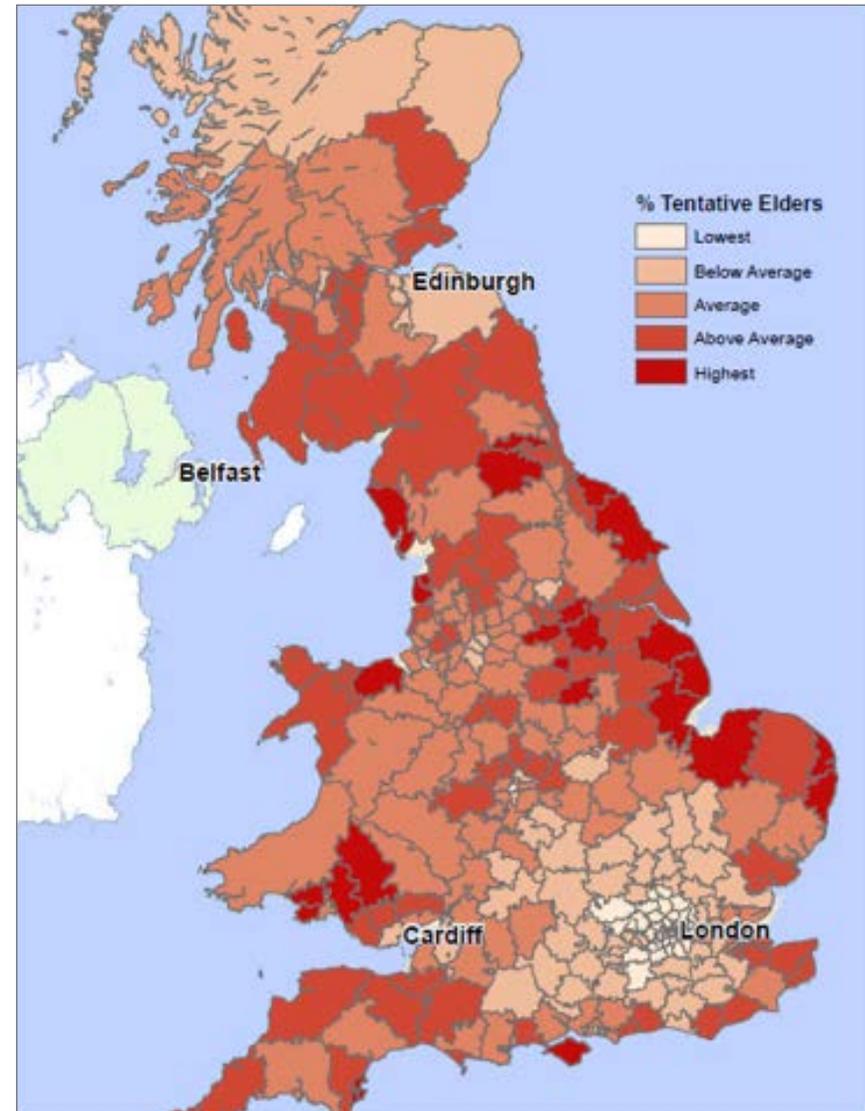
106

INTERNET COMPETENCY

Not very
Internet Savvy

56.7%

100





Top Ten Towns for each Mosaic Digital Group

LEADING EDGE

A. CAPITAL CONNECTIONS

1. Kensington
2. Chelsea
3. Wandsworth
4. Hammersmith
5. Putney
6. London West End
7. Chiswick
8. Queensway
9. Richmond (London)
10. Liverpool Street / Bishopsgate

B. DIGITAL FRONTIER

1. Hatfield
2. Glasgow Central
3. Manchester Central
4. Edinburgh
5. Brighton Central
6. Bournemouth Central
7. Birmingham Central
8. Leeds Central
9. Cardiff
10. Liverpool Central

C. MOBILE CITY

1. East Ham
2. Stratford
3. Hounslow
4. Walthamstow
5. Harrow
6. Birmingham Central
7. Woolwich
8. Ealing Broadway
9. Cheapside
10. Slough

D. FIRST-GEN PARENTS

1. Dartford
2. Aldershot
3. Lakeside
4. Bournemouth Central
5. Crawley
6. Bristol Broadmead
7. Southend-on-Sea
8. Stevenage
9. Farnborough
10. Chatham

E. ASPIRANT FRONTIER

1. Birmingham Northfield
2. Sheffield Central
3. Leeds Central
4. Cardiff
5. Swansea
6. Birmingham Erdington
7. Lakeside
8. Pontypridd
9. Manchester Central
10. Dartford

PRACTICAL DAY-TO-DAY

F. ONLINE ESCAPISTS

1. Bootle
2. Hartlepool
3. Washington
4. Sunderland
5. Merthyr Tydfil
6. West Bromwich
7. Irvine
8. Middlesborough
9. Kingston-upon-Hull
10. Motherwell

G. UPMARKET BROWSERS

1. Epsom
2. Maidenhead
3. St. Albans
4. Woking
5. Camberley
6. Bromley
7. Kingston-upon-Thames
8. Orpington
9. Brentwood
10. Redhill

H. SAVVY SWITCHERS

1. Hempstead Valley
2. Chorley
3. Ormskirk
4. Waterthorpe (Sheffield)
5. Wigan
6. Castleford
7. Tamworth
8. Yate
9. Bromsgrove
10. Lichfield

I. CYBER COMMUTERS

1. Cirencester
2. Evesham
3. Bangor (Gwynedd)
4. Yeovil
5. Kendal
6. Bury St. Edmonds
7. Banbury
8. King's Lynn
9. Carmarthen
10. Dorchester

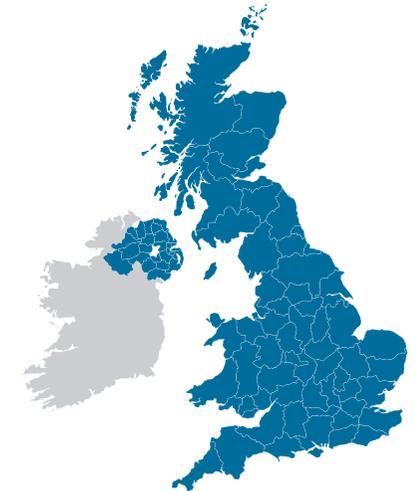
BEING LEFT BEHIND

J. BEYOND BROADBAND

1. Inverness
2. Camarthen
3. Oswestry
4. Dumfries
5. Bangor (Gwynedd)
6. Hereford
7. Barnstaple
8. Kendal
9. Greenock
10. Abergavenny

K. TENTATIVE ELDERS

1. Skegness
2. King's Lynn
3. Scarborough
4. Lowestoft
5. Neath
6. Boston
7. Merthyr Tydfil
8. Great Yarmouth
9. Barrow-in-Furness
10. Bishop Auckland





Know your audience in order to be able to communicate effectively

Whether you want to reach more of the right types of people or interact more effectively with the contacts you have, the ability to communicate in a tailored and accurate manner is reliant on your understanding of those individuals.

Segmentation enables you to effectively build profiles of customer types and understand how people behave. By combining first party data with a classification tool like Mosaic it's possible to understand who your customers are and then reach more of them through third party data or carefully targeted acquisition campaigns.

Digital segmentation is the latest necessary step as brands decide what services and channels they need to use to communicate with their desired audience. If your brand's customers are less digitally engaged, then you should shy away from overly digital campaigns.

Appendix: Data Sources

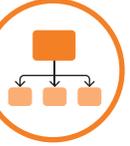
- Mosaic UK Grand index
- YouGov profiles
- Research Now – technology and channel preference survey profiles

Key Takeaways



Understand that your audience may not be 100% digitally engaged

Use digital classifications to add extra detail to your segmentation



Understand which persona your best-fit customers sit in

Use this information to educate your marketing & business strategies



Tailor your communications to suit your target persona's characteristics

Mosaic Digital was created using the same stable core of data used in Experian's flagship segmentation tool, Mosaic. For Mosaic Experian commissioned a large scale research piece around consumer channel preference and technology adoption, it is this data, coupled with new, deeper research in to how consumers consume information, interact with products and services online across channel and device, that drove the creation of Mosaic Digital.

Mosaic Digital places a large emphasis on this new data to create a segmentation that specifically focuses on comprehensive insights into consumers' digital lives, their attitude to new technology, device ownership and online competency in today's hyper-connected world and complex channel mix.

Other insights cover consumers' demographics, finances, channel preferences, internet usage, online shopping habits, technology, mobile and social network behaviour. Mosaic Digital consolidates these insights into 11 groups that are defined by their differing online behaviours, channel preference, technology adoption and social activity. All of which combine to make a segmentation specifically created to deliver you the insights you need to answer the digital audience conundrum.

The Sir John Peace Building
Experian Way
Nottingham
NG80 1ZZ

George West House
2-3 Clapham Common North Side
London
SW4 0QL

6th Floor
Cardinal Place
80 Victoria Street
London
SW1E 5JL

0845 234 0391

www.experian.co.uk/markingservices



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