

zoots™

it suits you

An Audience Segmentation Case Study

a joint presentation by


audienceaudit
Connect with your customers.

smith & jones

Introduction

Founded in 1998 by the creators of Staples, Zoots is a well-known dry-cleaning chain on the East Coast. It serves its customers in Massachusetts, New Hampshire and Rhode Island with retail locations, pickup and delivery services and in-home services such as upholstery and grout cleaning. The company prides itself on its environmentally friendlier cleaning process, its technology-assisted tracking and account management, and its customer service.

In 2011 Zoots selected Sturbridge, MA-based [smith&jones](#), a full-service strategic marketing firm that specializes in integrated media, to revamp the company's positioning, website and digital/social media efforts. As the first step in the process, smith&jones engaged the services of [Audience Audit](#) to identify the existing audience segments for Zoots and gain insight into the motivations and needs driving its customers.

The Project

Respondent Pool

Because Zoots gives all of its customers the ability to manage their account and track the status of their orders online, the company has developed a database of over 50,000 consumers. The file includes current users, those who have not placed a order in the previous 90 days (lapsed users) and also names of consumers who have never used Zoots but provided their contact information and opt-in to the company through various means. Zoots and smith&jones elected to survey these three populations to identify audience segments specifically associated with Zoots.

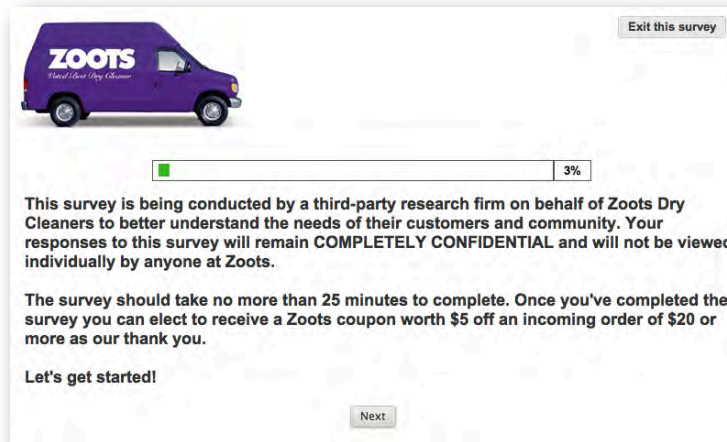
Areas of Exploration

Zoots was interested in gaining insight into a variety of consumer motivations, needs, and behaviors:

- What drives consumers to use dry cleaning services in the first place?
- What factors are most important to them in selecting a particular dry cleaner?
- What services do they deem most valuable, and how do they use dry cleaners now?
- Which competitors represent the biggest threat to Zoots?
- How important are features such as PERC-free cleaning, online account management, pickup & delivery and other Zoots offerings?
- How do consumers perceive Zoots' benefits and shortcomings?
- What messages do consumers find most relevant and compelling?
- What are the most appealing benefits Zoots can offer consumers through its customer rewards program?
- How do consumers get information about dry cleaners, and how would they prefer to get such information?
- Which consumers represent the best target audiences for Zoots, and for which will Zoots represent a desirable and likely choice?

The Survey

After discussions with Zoots and smith&jones, Audience Audit developed an online survey with roughly 40 questions covering attitudes about dry cleaning and dry cleaners, what “convenience” means, usage patterns, demographics, information sources and media choices.



An invitation to take the survey was sent to over 56,000 consumers in the Zoots database, accompanied by two incentives for completing the survey: a Zoots coupon for every respondent as well as a chance to win a \$250 Amazon gift card. Response rates varied based on consumer type, but overall 22% of recipients viewed the email, 5% clicked through and 4% completed the survey.

	EMAILED	VIEWED	CLICKED	COMPLETED
CURRENT USERS	16,325	5,086 31% OF EMAILED	2,013 40% OF VIEWED	1,534 76% OF CLICKED
LAPSED USERS	25,564	4,860 19% OF EMAILED	738 15% OF VIEWED	487 66% OF CLICKED
NON-USERS	15,084	2,428 16% OF EMAILED	281 12% OF VIEWED	171 61% OF CLICKED
TOTAL	56,973	12,374 22% OF EMAILED	3,031 25% OF VIEWED	2,192 72% OF CLICKED

Nearly 80% of those who started the survey completed it, and average completion time was 18 minutes. The final respondent pool of nearly 2,200 consumers ensured a statistically reliable confidence level of 95% with a margin of error less than 2% for the entire respondent base (although smaller subsegments, such as non-users, reflect lower confidence levels).

Attitudinal Segments

Of the consumers who completed the survey, 99% of them were segmented into one of four attitudinal groups, based on the factors that most influence their choice of a particular dry cleaner:

“Out & About”

These consumers are heavy users of retail locations, and their choice of dry cleaner depends heavily on the proximity, cleanliness, familiarity and friendliness of its stores. They differ from other groups in prioritizing the importance of waiting times, friendliness of employees and whether they are recognized by the staff when they enter the store.

“Remote Access”

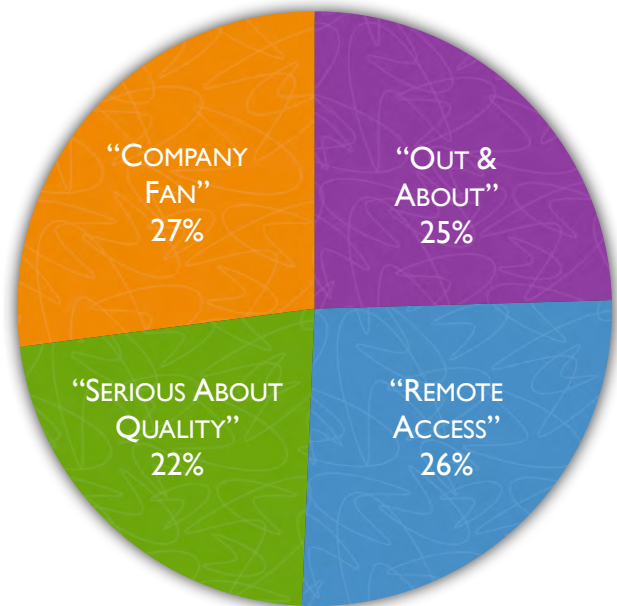
For these consumers, convenience is based largely on their ability to avoid any in-person contact with employees or use of retail locations. They choose a dry cleaner based on its pickup and delivery options, its online account management system, its incorporation of bar codes and other technology to allow them to track their clothing through the process, and their ability to pay their bill online using a credit card.

“Serious About Quality”

These consumers place a disproportionate amount of weight on the company’s experience, the consistency of their service and how well they clean clothes without damaging them. The “little details” such as buttons, pleats and buckles are critical, and they also show the highest propensity to choose a cleaner based on their use of environmentally responsible cleaning techniques.

“Company Fan”

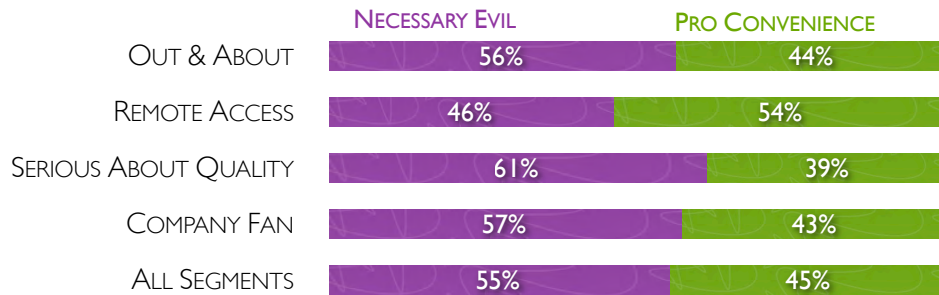
For these consumers, the company behind their dry cleaner is almost as important as the service it provides. They are much more likely to care about the size of the company, its history, its involvement in its community and the look and feel of its brand.



Interestingly, while we might have expected a particularly “cost-focused” segment, the data didn’t show that to be the case. While all segments rated cost as an important consideration, none of them did so in disproportional numbers -- suggesting that cost-savings messages are universally appealing in this case.

Category Usage Overlay

Interestingly, each of these four segments also included two distinct groups that differ in their attitudes about using dry cleaning services in the first place. These two groups offer some additional insight about the respondents' category motivators:



“Necessary Evil”

These consumers view dry cleaning as one of the burdens that their clothing places on them. While they fret about the cost, they also worry about shrinkage, damage and stain removal if their clothing isn't dry cleaned.

“Pro Convenience”

These consumers feel pressure from expectations as to how their clothes should look for work, and also welcome the convenience of having someone else take care of their clothing -- from dry cleaning, to laundering, to pressing. They are much less concerned about the cost of the service.

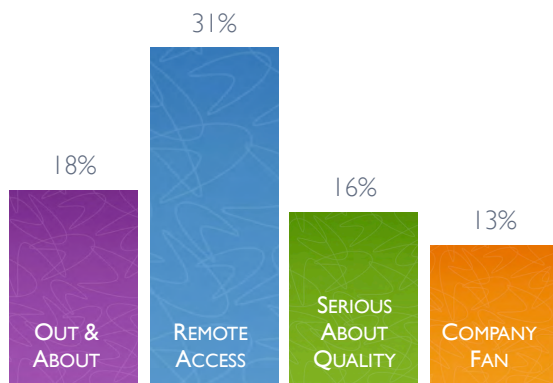
Each of these groups is represented in each of the attitudinal segments, although to varying degrees.

Profiling

Once the segments were identified based on their attitudinal characteristics, the other data collected in the survey could be incorporated in the segment profiles, providing some interesting insights.

Usage

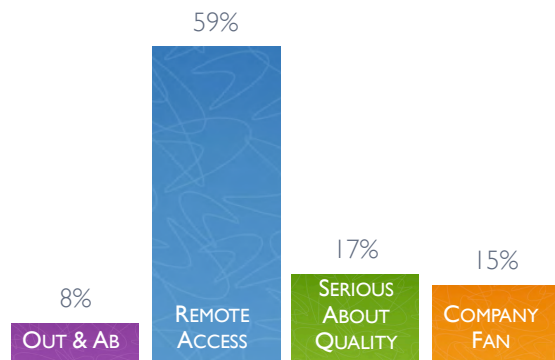
% USING AT LEAST ONCE A WEEK



The **Remote Access** segment is far more likely to use dry cleaning services often, with nearly 1/3 of them using at least once a week.

This segment is also vastly more likely to be using pickup and delivery services from their dry cleaners.

% USING PICKUP & DELIVERY



% USING MORE THAN ONE DRY CLEANER BASED ON CLOTHING NEEDS

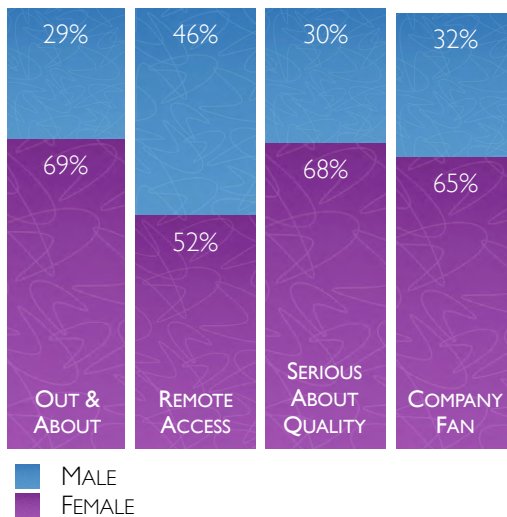


The **Serious About Quality** consumer is most likely to maintain a “stable” of dry cleaners at one time, selecting each based on the needs of the particular clothing items being cleaned, as well as the availability of coupons and special prices at each provider.

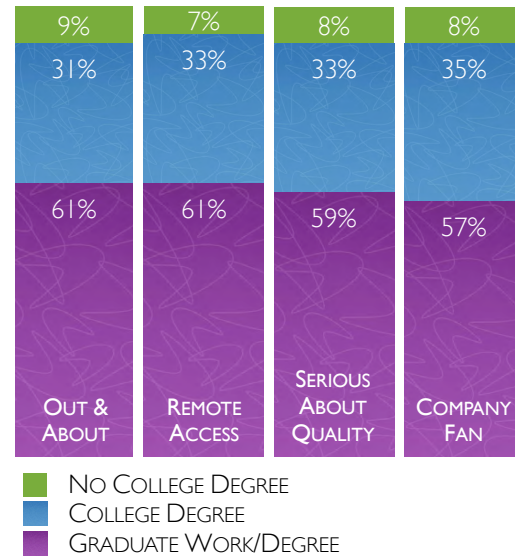
Demographics

The Zoots research illustrated a common finding in attitudinal segmentation -- by and large, the segments don't reflect highly distinctive demographic traits. While there are some variances, the segments are largely consistent demographically, while still displaying large variances in attitude. These findings reinforce the importance of assessing audiences from an attitudinal standpoint as opposed to using solely demographic measures to define segments for marketing efforts.

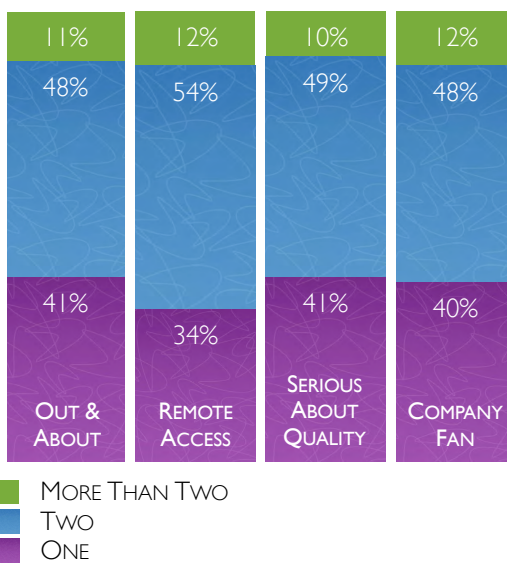
GENDER



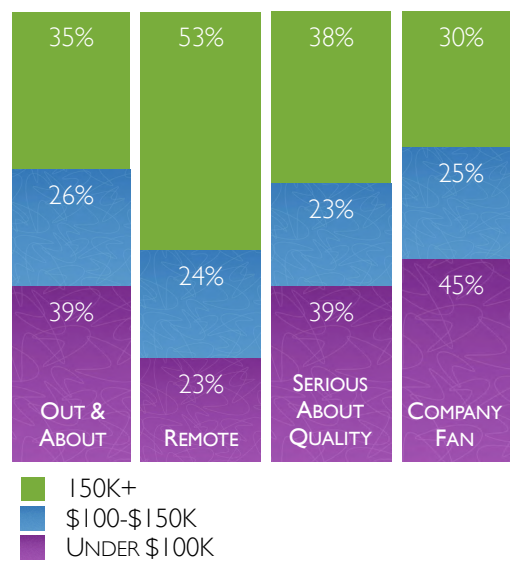
EDUCATION



WORKERS IN HOUSEHOLD



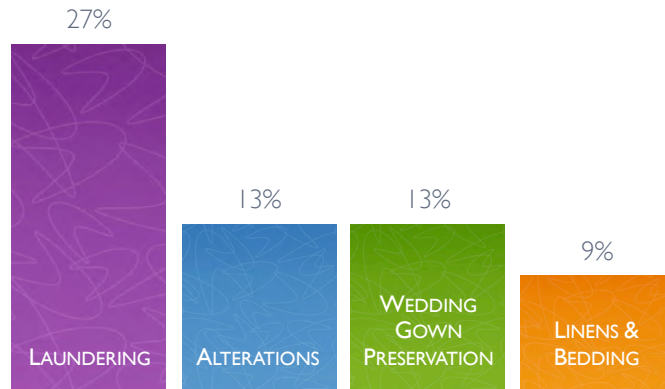
HOUSEHOLD INCOME



Services

The research identified the most popular dry-cleaning services, as well as those that respondents felt were “must-have’s” for a full-service dry cleaner. Interestingly, it also revealed significant opportunities in services that current Zoots customers had used at other cleaners - but had never used at Zoots.

% WHO HAVE USED SERVICE, BUT NOT AT ZOOTS



Messages & Promotions

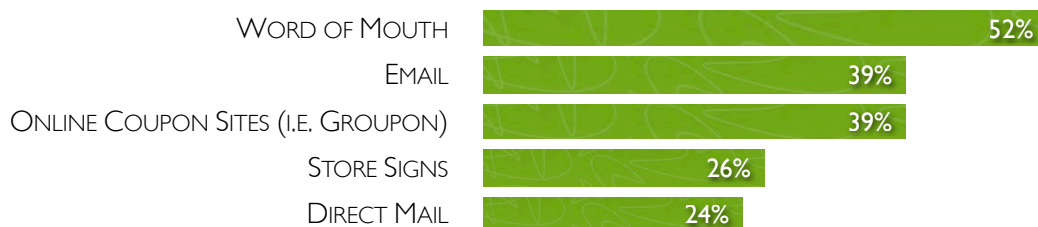
We evaluated the appeal of over 30 distinct messages to better understand which each segment found most compelling. Some of the messages were ones that Zoots had been using, others that had not been used in marketing efforts to date, and still others that were being referenced by competitors. Zoots learned that a number of these messages had consistent and significant appeal for all segments -- suggesting they would make excellent candidates for umbrella brand messaging and broad market initiatives -- and others that were of little interest to some groups but extremely important to others -- making them ideal for segment-specific campaigns.

Similarly, the research identified the appeal of a host of promotional possibilities, ranging from price reductions, frequent shopper programs, refer-a-friend and other incentives. Results shows broad support for price reductions, but segment-specific interest in offers as varied as charity donations and priority scheduling.

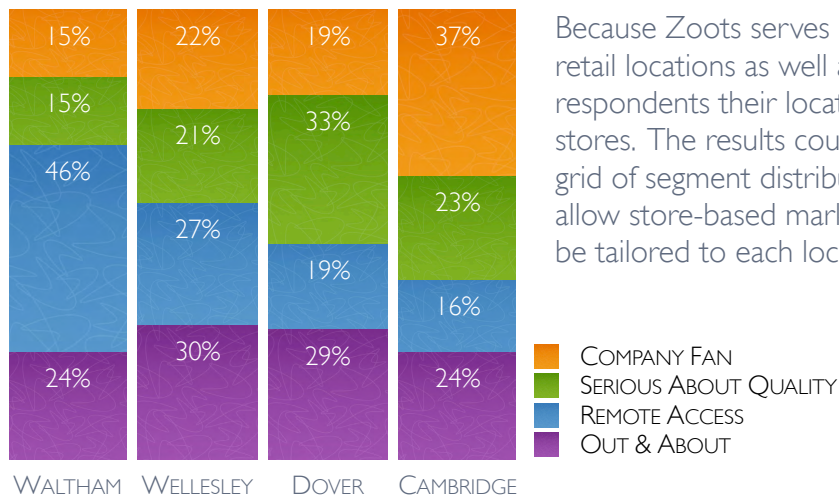
Information Sources

The research found broad-based consistency as to how respondents currently get information about dry cleaners. As we have seen across nearly every segmentation initiative Audience Audit has conducted, the number one source of information is word of mouth. Significant numbers of respondents report receiving information through email from dry-cleaning providers, as well as from daily deal sites such as Groupon.

DRY CLEANING INFORMATION SOURCES



By-Location Insights



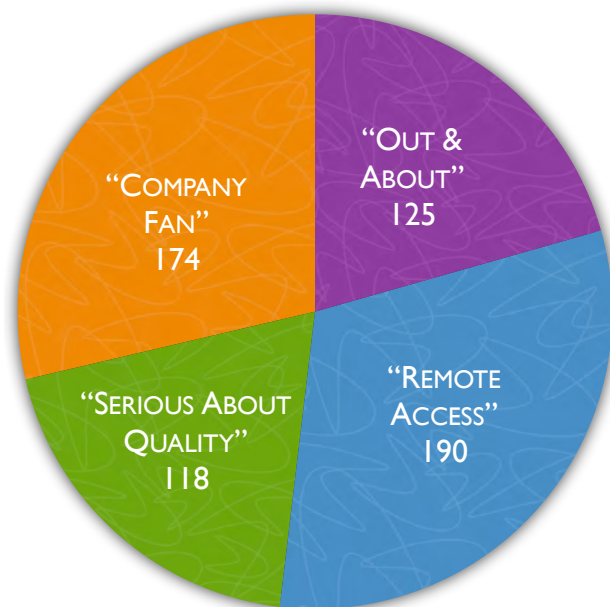
Because Zoots serves customers through a network of retail locations as well as online, the survey asked respondents their location preference among the 17 stores. The results could then be used to develop a grid of segment distribution by location, which will allow store-based marketing and customer service to be tailored to each location's particular segment splits.

Customer Insight Panel

A key element of the research is to identify respondents interested in continuing involvement with the Zoots brand. Interested respondents can be included in future research, offer feedback regarding new services, be incorporated into special events, etc. While the specific responses of survey participants remain confidential, the segment identified for each of those requesting inclusion in the Customer Insight Panel is associated with their contact information, which will allow Zoots to evaluate future responses of this group by segment.

28% of the Zoots survey respondents indicated they would like to participate in the panel. All segments were represented, as were all three customer types (current, lapsed, never).

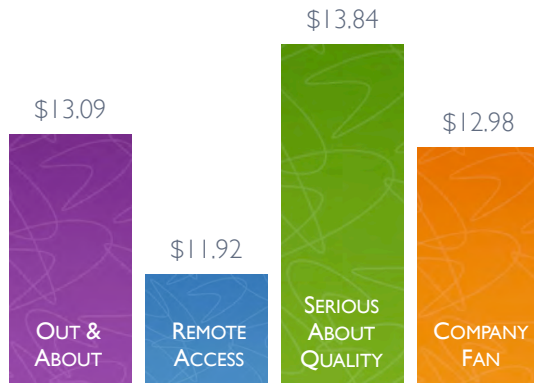
CUSTOMER INSIGHT PANEL MAKEUP



Adding Zoots Data

Because Zoots captures their customers' transactions in their own database, Audience Audit was able to add Zoots' own transaction data to the segmentation analysis. Matching Zoots customer records against the survey respondents via their email address identified 1,075 current customers who completed the survey. Reviewing their transaction history over a 6-month period just prior to the survey revealed some interesting differences by segment.

AVERAGE INVOICE SIZE



AVERAGE TRANSACTIONS PER MONTH

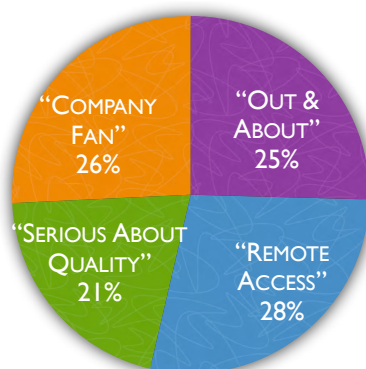


AVERAGE MONTHLY REVENUE VALUE

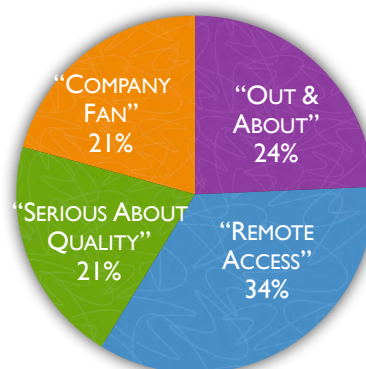


While the **Serious About Quality** segment has a larger average invoice size, the **Remote Access** segment has 36% more transactions per month than the next highest segment. As a result, **Remote Access** customers generate 23% more revenue than **Serious About Quality** customers. As evident from the adjusted pie chart below, the **Remote Access** segment generates a disproportionately high percentage of monthly revenue for Zoots.

CURRENT CUSTOMERS, % OF RESPONDENTS



CURRENT CUSTOMERS, % OF REVENUE



Strategies

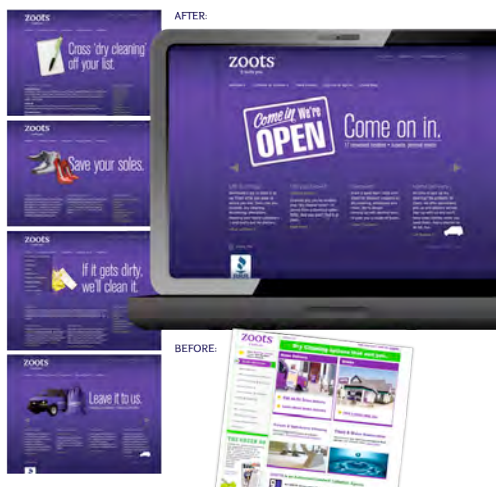
After the research was presented to smith&jones and their client, it was incorporated into the agency's strategic work in preparation for the new website and other aspects of the new Zoots marketing program.

Acquisition and Retention Segments

Each segment was evaluated for its impact on Zoots revenue, its alignment with core Zoots services and benefits, and the anticipated investment required to ensure that Zoots is the obvious best choice for each segment. Some segments were determined to be "acquisition" segments, meaning that the company prioritized them from a customer and prospecting standpoint and was willing to invest in prospecting and customer satisfaction measures that would appeal to them. Other segments were assigned "retention" status, in which case low-investment efforts to retain them and ensure their satisfaction would be pursued, but prospecting efforts to gain more of them would be limited.

Personas

smith&jones used the attitudinal, behavioral and demographic insights gained to develop detailed personas of each of the segments. The personas provided a defining "look" to each of the segment types and summarized their key motivators, usage patterns, compelling messages and interests. These personas would be relied upon as touchpoints during development of all future marketing initiatives, employee training and organizational decisions considered by Zoots.



Website Development

The new Zoots website was designed to improve the user experience and brand visibility, as well as to ensure that key information identified in the survey as being important to acquisition targets is prominent and easy to find.

Segmenting Contact Forms

Zoots' new "Contact Us" form allows site visitors to sign up to receive email newsletters and other information from the company. The new form includes a brief questionnaire based on the segmentation insights that will allow Zoots to incorporate a preliminary understanding of the customer's interests into even the first messages they provide. The customer's specific choices regarding service type, location preference and other metrics the company receives will continue to be added to the customer's segment profile.

To better serve you, please answer the following questions:
The main reason I use dry-cleaning services is:

- Convenience: My clothes have to look good, and I don't have time to deal with laundering and pressing them myself.
- Clothing Requirements: Some of my clothes just need to be dry cleaned. I worry that trying to clean them myself will damage them.
- None of the above.

In addition to quality cleaning and professional service, the most important thing I look for in a dry cleaning company is:

- Convenient, clean locations and friendly store employees.
- Pickup, delivery and online account management.
- Expertise, high-quality cleaning and extra special care with my clothes.
- The company's reputation and community involvement.
- None of the above.

Yes, add me to the Zoots email newsletter list to receive tips, news and special offers.



Email

New email creative ensures that key messages specific to each segment feature prominently. Lists are segmented based on initial survey completion or on the abbreviated questionnaire in the contact form on the website.

Online Ads

With messaging specific to acquisition segments as well as more generalized all-audience messages, highly targeted online advertising will link to segment-specific web pages, ensuring that Zoots is doing its best to reach its key attitudinal audiences and provide them with relevant information.



Social Media and Integrated Brand Imagery

The company's Facebook and Twitter pages, as well as its delivery vans, carry the brand's distinctive look and feel. The social media sites share content identified during the segmentation research as appealing to all target audiences, as well as offering segment-specific tidbits to drive traffic to the company's website.



To see more examples of creative by smith&jones, please visit smithnjones.com.



“There were certain attributes of the business that we had always felt were really appealing to our customer base, and we dedicated a lot of our marketing to those messages because we thought they were so important. It was a big surprise to learn that they weren’t as important to customers as we thought. It was good to find out what customers really felt was important - it was really eye-opening. We’re a lot more confident now about spending on marketing, knowing how we’re going to get the biggest impact.”

– Rick Simoneau, Zoots Owner & Managing Director

[See Rick’s video testimonial here](#)

Please visit AudienceAudit.com for more information about attitudinal audience segmentation.