

# ULTIMATE GUIDE TO EMAIL SEGMENTATION



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# Everything you need to power targeted email campaigns.

Segmentation is your email marketing strategy's secret weapon. In this guide, we're breaking down everything you need to know about segmentation so you can put your data to work. Deeper insight into customers and subscribers, increased personalization, and advanced targeting - you'll be able to confidently take your email strategy to the next level, maximizing engagement and revenue.

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# What Are Segments?

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Ultimately, email is about communication and building relationships with your audience. Marketers can use segmentation to send relevant and timely messages to subscribers rather than just sending mass emails - making your relationship feel more like a conversation than spam.

“ Segmentation lets you build relationships with customers through emails that feel more like a conversation than spam.

Segments let you group subscribers by specific criteria based on the qualities that are important to your brand - like location, past purchases, or purchase amount. Segmentation is typically used to send targeted, personalized emails to these specific groups of contacts, allowing you to build campaigns that feel custom to your audience.

Leveraging segmentation in your email strategy is a powerful way to use your data to gain deeper insight into subscribers, and make sure you're sending the right emails to the right customers.



## Dynamic vs. Static Segments

An important piece to consider in your strategy is how to leverage different types of segments. Understanding the differences between static and dynamic segments will let you action your data in the best possible way. Do you want your segment to automatically refresh and evolve, or stay the same unless you manually add to it? Static and dynamic segments each have their own place in segmentation:

### Static Segments

Static segments capture all the subscribers that match your filters at the time you're creating the segment. These segments stay the same until you add or remove subscribers manually.

Static segments are good for importing data to, especially during the migration process. If you're importing data to a one-time use segment, we recommend deleting the segment after you've migrated to keep your CRM organized. These segments often come from CSVs and offline signups (like in-person events). They're not, for example, automatically pulled in from your website.

They can also be used to capture a specific audience you want to retarget, like those who purchased a specific product or event no-shows.

## Dynamic Segments

Dynamic segments (known as Live Segments on Hive) continuously update as subscribers match or no longer match the criteria you've set. Dynamic segments capture all of the subscribers that match your filters at the time of creation, as well as subscribers that match those filters in the future. Because these segments constantly refresh as customers move through different stages in their relationship with you, there's no need to worry about manually updating anything.

You can create dynamic segments to represent subscribers that are highly relevant to your brand, like frequent purchasers or subscribers in your target demographics, and watch how they grow over time. Dynamic segments can also be used to trigger specific email automations when a subscriber meets the criteria and enters a segment.

## Sometimes Better Together

Dynamic segments are also a great way to combine both dynamic and static segments if your subscribers are coming into your CRM from different sources. For example, you could create a dynamic segment that captures new subscribers from your website (dynamic segment) and new subscribers from a CSV import (static segment).



## Why Segmentation is Important

Though it can be tempting to send every email to everyone on your list, targeting a specific segment can actually increase opens, click-throughs, and even purchases.

Sending targeted email is known to result in higher engagement, with segmented email campaigns receiving 14% more opens and twice as many clicks-throughs as non-segmented campaigns. Increased engagement is not only good for getting more eyes on your brand - it ultimately benefits your deliverability, helping you build a strong sender reputation (and land in more inboxes).

In addition to boosted engagement, segmented emails can dramatically increase your ROI. In fact, segmented emails generate 58% of all email marketing revenue.

**“ Segments can give you insight into who your subscribers are individually, but in a scalable way.**

Beyond improving your email and sales performance, segmentation is a powerful way to understand your audience. Depending on your email service provider (ESP), you can view email and subscriber statistics by segment to hone in on what content is connecting with which customers. Playing

with segments can even help you identify your brand's main buyer personas, giving you insight into who your subscribers are individually, but in a scalable way.

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## Key Takeaways

### What you should know about segments

Segmentation allows you to send targeted, personalized emails that feel more like a conversation than spam.

Segmented emails are proven to increase engagement and ROI while offering deeper insight into the people in your audience who care most about your brand.



# 4 Key Categories for Segmentation

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You likely already have customer data that will help you effectively segment your email campaigns. You might know how old your subscribers are, whether they're from New York or New Hampshire, or if they've purchased something from you in the past.

What may be harder to figure out is how to segment this information in a way that works for your brand. Luckily, there are some foundational segments that can be a great jumping off point to improve your email marketing strategy.

## Segmenting by Engagement Level

Segmenting your subscribers based on their email engagement is a fundamental piece in a strong segmentation strategy. Subscriber engagement dictates how ISPs rate your sender reputation, and therefore your overall deliverability.

Thinking about segmentation by engagement level will help you clean your list, prune out unengaged and inactive subscribers, and make sure your emails land in inboxes.

Engagement levels are also the foundation for some of the most powerful automations, like welcome and winback emails.

**“ Segmenting by engagement level is a must for every email marketer.**

Some ESPs (like Hive) will automatically sort your contacts into dynamic engagement levels, so you don't have to worry about manually managing your lists. You can even adjust the variables to determine what an engaged subscriber looks for your brand. Then, when it comes time to send an email, you can just select which of these segments you'd like to include.

## **Actives**

Your most active subscribers are those who continuously engage with your emails (e.g. subscribers who have engaged with any of your last five emails). What's considered active might be different for you depending on your brand and how often you send email.

This group is who you want to be sending your core campaigns to. They've continuously expressed an interest in hearing from you and are the most likely to open and click your emails.



## **New Subscribers**

New subscribers typically show high levels of email engagement soon after they join your list. They've recently opted in, so they want to hear from you! You want to treat new subscribers differently - this is your chance to educate them about your brand, and it's the best time to get them to engage and convert.

Send new subscribers a welcome series, double opt-in confirmation, discount codes, or all of the above. You may want to hold off on sending more general campaigns their way until they've been sent any welcome email series you've set up, but the right mix will depend on your brand.

## **At-Risk Subscribers**

When your subscribers haven't opened an email recently, it's likely they'll need a reason to re-engage with your brand. Similar to active subscribers, you might consider subscribers who have received but not engaged with the last five emails to be at-risk, although you can adjust this number to better align with your brand's goals if needed.

Your standard email campaigns won't work to win back this group - they've already been un-engaged for some time and need a little extra attention. Sending at-risk subscribers a winback automation can help them re-engage (you might



even sweeten the deal with a special offer).

## **Inactives**

66% of marketers' email lists are inactive, and subscribers who haven't engaged in a while (e.g. haven't opened the last 10 emails you've sent them) are likely to never engage again. At this point, it's important to create an intentional strategy to win back subscribers, because they'll continue to ignore you if you send them an irrelevant email.

You should figure out why they've been inactive in order to re-engage them effectively. Have they opened your recent emails but not clicked? The content might be interesting but your CTA may not be convincing. Or maybe they haven't opened your emails in a while - it could be worth sending them a winback email with a discount code.

## **Invalid**

Invalid contacts include people who have unsubscribed from your email list or been marked as invalid (if their email bounced, or was found to be undeliverable). To abide by good email marketing practices and protect your brand's deliverability, you should never email this list.

## Segmenting by Behaviour

You may know about your subscribers' interests and behavior based on their website behavior, social media engagement, or preferences they've indicated on a signup form. When segmenting by behavior, you're trying to get ahead of the question, "Based on what this subscriber has done, what are they likely to do in the future?"

Website behavior is one of the most important indicators you can use to connect with your audience. By responding to how customers interact with your brand online, you can continue the conversation and send the right email at exactly the right time. Segmenting by website behavior lets you trigger automations like browse or cart abandonment emails, retarget for items saved in a favorites list, or send specific emails based on topics your subscribers have engaged with online.

If you know more about your subscribers' specific interests, you can send them more relevant emails, increasing the likelihood they'll engage. For example, if a subscriber has indicated that they're explicitly interested in hearing about women's jeans and accessories, you can promote those specific items in more targeted campaigns.



## Segmenting by Purchase History

If you're an ecommerce brand or event organizer, segmenting your contacts based on their purchase history is a no-brainer. Similar to segmenting based on behavior, you can use customers' past purchases as the foundation to start a longer conversation.

With purchase behavior, you have an even clearer indicator for how different customers spend money, what they choose to buy, and when they choose to buy it. Segmenting subscribers based on products they've purchased or categories they buy from will let you easily retarget them. Think: if a customer has purchased tickets to a pop concert, you can email them about upcoming shows with pop artists.

Another way to segment by purchase history is by looking at buyer cycles. Your customers are on their own schedules, and it's likely that they don't necessarily line up with your marketing schedule. Figure out when your customers buy and tailor your emails to their schedule.

Finally, taking a step back to look at the financial value of each subscriber can have a huge impact on the way you segment. Identify new customers you want to convert into high value ones, and the subscribers who already are high value customers. You can even filter for those who match the characteristics of your high or frequently spending customers.



## Segmenting by Demographics

Tailoring content to specific demographics based on their location, gender, age, occupation, or salary is an effective way to get the right message in front of the right people. You can target these segments with details known to perform well with them, whether that's specific items, events, or content. You might market certain clothing to specific genders, or use language and visuals known to appeal to an age group.

Determining what demographics are most important to you will depend on the specifics of your brand, but the more information you gather about your subscribers, the more you can action your data through these segments.

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## Key Takeaways

For segmenting the right way

Segment subscribers by engagement to improve deliverability and make sure the right emails are getting in front of the right people. Choose segments based on your brand's goals and priorities.

# Actioning Segments

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## Deciding Which Segments Are Important to You

The best email strategies tie directly back to your company's goals, and will reflect your current and prospective customers.

“ The best email strategies tie directly back to your company's goals.

Step one is figuring out how your customers naturally group. You might have customers in Canada that love winter gear. Maybe half of your customers are students. Or your product is popular with new mothers. You're likely familiar with these different personas already.

These groups are ultimately who you want to identify and add to segments based on their defining attributes (e.g. demographics or email engagement, like we spoke about in the last section). Use segments for the things you have to track over and over, and the people you send to over and over.

When segmenting on email engagement, determine what



engagement is meaningful for your brand. Are you looking at opens? Clicks? Article reads? How often do you want the average subscriber to be engaging with your content?

Good and bad news - the segmentation options are endless. You can segment based on your highest-value purchasers, or retarget subscribers who engaged with a specific email. Segments can also act as triggers for automations, like welcome and winback series, which allow you to engage subscribers or recover revenue while remaining hands-off.

Ultimately, you'll have to look at how much bandwidth your organization has to focus on email marketing. Your bandwidth will affect the complexity and scale of your segmentation strategy, since you'll be designing campaigns that target these segments on an ongoing basis. Based on this, you can determine if you'd like to segment on your most important groups or if you want to get more intricate. No matter what, any level of segmentation will improve your email marketing strategy and ROI.

## How to Collect Subscriber Data

The next step in building your segmentation strategy is identifying whether you actually have the information you need to create these segments. Take a look at the data you do have, and determine what you already know about each of your customers that can be turned into segments. At this



point, it should be clear if you have the data to segment on your buyer personas or not.

If you don't have the data you need, you may need to expand your email marketing database to hold more information, engineering ways to capture more data or explicitly asking customers for more information. There are a few steps you can take to get as much data as possible in your email marketing system:

## **Import All Data into Your CRM**

Many businesses have a mix of data from a variety of sources - a mess of CSVs, newsletter signups, online accounts, buyers, contest entrants, and more.

Importing all of your data into an email marketing CRM is a great way to consolidate data, syncing all contacts, duplicate data, and purchase history, so you can get the full picture of who your buyers are and what they're interested in.

## **Create a Signup Form**

Building a signup form is a staple that ensures your list will continue growing even as contacts become inactive or unsubscribe. You can have it embedded on your website, or included as a popup on your homepage or a specific landing page, and even include verbage or incentives to encourage

more signups.

Making your form visually appealing can help draw attention and add allure. Beyond that, offering an incentive, like a discount, is a great way to increase signups. You can even let visitors know exactly what to expect when they give you their email to build trust and make sure you're getting the right subscribers (for example, saying you'll send them special offers you think they'll like).

On the other side, you can present a negative alternative that visitors have to click to leave the signup form (e.g. "No thanks, I'd rather pay full price").

Determining your signup flow will help you figure out what information you need to capture in the signup form. You can have visitors self-segment with preferences directly in the form, or collect just their email addresses for a low barrier to entry and get more information from future emails.

## **Design a Follow-Up Email**

Once you capture a visitor's email address, you can ask for more preferences in your welcome email or series. Asking subscribers for more information, like what sort of products or genres they're interested in, or what type of emails they'd like to receive, will allow you to better target your emails before they even make a purchase.



## Build a Preference Centre

Similar to a follow-up email, you can direct subscribers to a preference centre hosted on your website or email platform. They can return here to update their interests, demographic information, or other preferences like how often they'd like to receive emails.

## Maintaining Segments

Once you've coordinated your segmentation strategy, you'll want to fill in data gaps through the methods above or when collecting contacts elsewhere. Make sure you're capturing the subscriber source as well so you know where email addresses are coming from (newsletter signup, homepage, online campaigns, event, etc).

**“ Knowing where someone subscribed to your list can offer incredible insight into the types of content they'll engage with.**

Knowing where someone subscribed to your list can offer incredible insight into the types of content they'll engage with and which sources are performing the best for your brand. If a subscriber signed up to be notified of sales and offers, they should be in a segment that receives your promotional emails. If someone subscribes to be notified of



new products, this person is likely to engage when they receive campaigns regarding upcoming releases.

It's important to keep your actual lists of segments organized as well. When a segments page gets messy, it can feel overwhelming and difficult to use. At this point, email marketers often use segments less or miss out on targeting opportunities. To avoid this, delete segments you aren't using. If you're frequently running imports, you'll probably want to send a welcome email to that static segment and then delete it.

If you're filtering for specific attributes, there's probably no need to save them as a segment. For example, if you're sending to men under 25 in New York, make sure those fields are included when you import data so you can filter on them in the future. The more you can attach to an individual user profile the better, so you can easily access data instead of juggling confusing lists.

You can sort the segments you do build into folders like target audiences or purchasing tiers. These will allow you to easily find the groups you care about most, whether to send an email or view their statistics.

As some subscribers inevitably become inactive and don't respond to winback automations, you should treat them as invalid - it is very unlikely that these contacts will engage



again, and continuing to contact them could hurt your deliverability.

Once you hone your initial strategy, you can start thinking bigger-picture about how you want to move forward with your segmentation architecture. Ask yourself questions like, “How will I need to be able to see and use data in the future?” Look at how you want subscribers to move through your customer journey, and take a step back to analyze where they’re coming from and how they behave.

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## Key Takeaways

### For getting the most out of segmentation

Your brand’s goals and bandwidth will help you determine which segments are important to you. Look at your data to see if you’re capturing the information you need from subscribers, and create a plan to get those details in the future. Keep your list clean and easy to use by sorting segments into folders and deleting unused segments.



# Segmentation for Different Industries

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## Segmentation for Events

Whether you manage an annual festival, run a venue, or organize multiple events per week, streamlining your marketing process can have a huge impact on your bottom line. There's no surprise here - the best way to improve ticket sales is to send each email to relevant segments. If you know a customer has only gone to rap concerts at your venue, you can probably skip sending them updates about an upcoming country festival.

You can also filter on combined segments to really target your message, and use segments to see how much revenue you're bringing in for different artists, genres, and venues via email. Ultimately, there are countless ways you can use segments to leverage your events brand - here are just a few:

### Artist-Specific Announcements

- Segment based on artists your subscribers are listening to, signed up to receive updates from, are interacting



- with on social media, or have previously seen a show of
- Design emails with artist-specific branding
- Introduce current fans to similar artists

## **Merch**

- Fans who buy merchandise show a certain level of commitment - you might count these contacts as VIP members or superfans
- Advertise merch to fans who have attended a specific artist's show or expressed interest in their music
- Use ecommerce strategies like cart and browse abandonment automations to capture otherwise lost revenue

## **Genre**

- Segmenting contacts not just by individual artists, but into larger buckets like genres, will allow you to introduce fans to new music
- Advertise festivals to subscribers who listen to a related genre of music, or if your event covers multiple genres, know which artists to highlight when emailing different groups of contacts

## **Previously Attended Events**

- Once an attendee buys a ticket for an event, you

- immediately get a handful of useful data about their preferences - from the specific artist they're interested in, to the genre, to which venue they attended. Use this information as a starting point for future artist updates, artists in a similar genre, or venue updates.
- Announce early presale to contacts who have previously attended the same or similar events

## **Online Engagement**

- You can think of online engagement as a direct expression of your attendees' interests, sending relevant email based on those interests
- Segment contacts who follow or have interacted with an artist or event on social media
- Capture new contacts and actionable data by running an online contest

## **Location**

- Combine location with other segments like genre or artist to announce concerts and events
- Send venue updates to contacts who have attended events there previously
- Announce festivals to local contacts or subscribers who have attended concerts in the areas before
- Send targeted event details exclusively to attendees from out of town (like accommodation information)



## Purchase Tier

- Determine how you want to tier your attendees - segment by number of tickets purchased or type of tickets
- Segment VIP vs. general admission purchasers
- Offer early access to VIP customers, market VIP event packages, or upsell to larger ticket packages
- Market presale or other ticket deals to more price-conscious customers

## Segmentation for Ecommerce

Your current email flow most likely covers the fundamentals of the customer lifecycle, like a “welcome” after someone subscribes and a “thank you” when someone completes a purchase.

These emails are customized for a single user’s experience, and are generally triggered by specific behavior. But how else can you segment your contacts to send even more targeted, personalized emails?

### By Location

- Segment by location to market promotions, pop-ups, or in-store events in specific regions
- Target emails with messaging relevant to the local

weather so you can avoid promoting snowsuits in the middle of the summer

## **Buyer Cycle**

- Create a segment for new buyers so you can send them an automated welcome, thank you, and discount for their next purchase. Acquiring new customers can cost anywhere from 5 to 25x more than retaining current customers. By encouraging first-time buyers to purchase again, you can build customer loyalty and make a big impact on your business.
- Segment customers who have lapsed to send them winback automations

## **Past Purchases**

- Email customers who have made previous purchases with similar types of items
- Target your messaging further to include specific sizing information

## **Reward High Value Customers**

- Engage high value customers (i.e. top 10% who have spent the most money) to increase their lifetime value and create a positive net promoter effect. On average, 40% of an ecommerce store's revenue is created by only



- 8% of its customers, making this a good segment to design targeted emails for.
- Announce sales and special events exclusive to frequent buyers

## **Cart/Browse Abandonment**

- Nearly 70% of online shopping carts are abandoned, and 39% of browsers don't even add items to their carts. Recover lost revenue but segmenting these contacts and sending targeted cart or browse abandonment campaigns.

## **Social Media Engagement**

- Fans of your brand's social media are more likely to be engaged via email as well
- If someone engages with a post about a specific product, you can re-market that product to them over email

## **Signup Source**

- How subscribers signed up for your email list will affect the types of messages you should send, and indicate potential areas of interest. Contacts who signed up for promotions or new product alerts will likely want to receive different email content than blog subscribers.



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# Key Takeaways

## For segmenting based on your industry

Go beyond the traditional transactional email to send targeted, highly relevant emails. Get creative with how you segment, and use subscriber data as a jumping off point to start a larger conversation.

### *Segments for Events*

- Artist-specific announcements
- Merch
- Genre
- Previously attended events
- Online engagement
- Location
- Purchase tier

### *Segments for Ecommerce*

- Location
- Buyer cycle
- Past purchases
- High value customers
- Cart/browse abandonment
- Social media engagement
- Signup source



# Testing and Iteration

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Congratulations! You're well on your way to sending smarter email. Segmentation lets you connect with your audience by sending more personalized emails proven to dramatically increase engagement and ROI. Once you've built or tweaked your segmentation strategy, you can monitor the results and use what you find to continue iterating.

Test out a few different segmentation ideas, then check your results across campaigns. Compare not just your new, segmented campaigns, but also campaigns you sent to your whole list in the past. When you look at the results of your campaigns, decide what strategies you should keep and what needs to go.

Look at different factors when comparing performance. Which segments had the highest opens? Clicks? Revenue? You can also consider other variables that may affect engagement, like subject lines and the content of the email (e.g. whether it was text- or image-heavy).

Your mission is to take a deeper look into each of these attributes to figure out what's really making your emails successful, and do more of it.



As you build out your holistic email strategy, you can use segments to ensure your independent email blasts are cohesive with your journeys. This way, you're not sending a promotional email to a subscriber currently going through a winback journey.

Ultimately, your segments can act as a guide to gauge the health of your audience over time. Look at engagement levels or buyer cycles to determine how people are moving through them, and how they're growing over time. Then, continue designing strategies to push people through these journeys.

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## Key Takeaways

### To maintain your segmentation strategy

Compare campaigns and segments to figure out what's really making your emails successful, and do more of it. Use segments to gauge the health of your audience, to strengthen your relationship with subscribers, and to push contacts through your customer journey.



# Segment Maintenance Checklist

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- ☐ Determine how your company goals and customer personas can be represented by segments
- ☐ Fill in data gaps with signup forms, preference centres, or follow-up emails
- ☐ Group segments into folders to keep your list tidy
- ☐ Delete segments you aren't using, including static segments from imports and segments that can be easily filtered on
- ☐ Prune unengaged subscribers if they exit your winback campaign without engaging
- ☐ Build campaigns and automations targeted to each segment
- ☐ Gauge success by comparing segments and campaigns
- ☐ Iterate on segments and strategies that are useful
- ☐ Think bigger picture about how you will need to see and use data in the future, and how contacts will move through segments in your journey



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email strategy?

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