STARCOUNT

Whitepaper:
The many faces of luxury

Contents

Get to know who your customers really are...

Laura is a twenty-five-year-old woman living with friends in a flat in North London. She works in a stable job as a marketing executive and has few outgoings beyond paying rent and bills, so she has a solid amount of monthly disposable income. Passionate about music and art, Laura regularly buys tickets to gigs and attends gallery openings and exhibitions. Laura loves to shop and buys five or six items a month from high-street stores and online retailers. Her ultimate luxury is a day spent browsing Selfridges and Liberty London, and she's saving up for a designer handbag.

...again and again...

Nine years later, Laura is thirty-four, living with her husband and two children in a house in the Surrey countryside. Despite still falling into the standard 25-34 age bracket, Laura's life looks very different to how it did nine years ago. She is now a successful, high-earning Marketing Director, but her outgoings are high, including a mortgage, two cars and full-time childcare.

Laura is passionate about politics and closely follows current affairs. She organises family trips to see West End shows two to three times a year and enjoys the occasional visit to a gallery or museum when she gets time without the kids. Laura is an infrequent shopper, but prefers to invest in pricier, high-quality clothing that lasts. Her ultimate luxury is a weekend lie-in and she's saving up for a spa trip.

...every year of their lives.

Laura is now in her mid-fifties and her passions and priorities have changed again. Her children have moved out and she works a four-day week, leaving her with more free time in which to spend her disposable income. She enjoys attending performances at the Royal Opera House and Royal Albert Hall with her husband and together they love jetting off for regular mini-breaks. Laura still thinks it's important to keep up with current affairs, reading Private Eye and The Guardian, and listening to Radio 4 every morning. Her ultimate luxury is front row seats at the Proms and she's saving up for a longer holiday in the Caribbean.

A lot can happen in a lifetime. Laura's life and priorities are continuously shifting and, with that, her buying behaviour changes. Where and how she spends her time and money, and what she thinks of as luxury cannot be relied upon to remain the same.

These changes may seem unsurprising, but they are extremely significant. Just like Laura, we are all changing subtly every day, discovering new passions and interests, adopting new beliefs, meeting different partners and having new adventures. As people move through different lifestages, their priorities and passions alter, their brand loyalties switch and they make different purchasing decisions.

By focusing on standard measurements and modes of categorisation such as age, address and average spend, brands are in danger of ignoring what truly differentiates their customers: their passions, mindsets and motivations.

Luxury or lifestyle?

When it comes to spending their disposable income, Londoners are particularly spoiled for choice.

Do you prefer experiences, like tickets to the National Theatre or going out for dinner with friends, or do you love browsing for particular products, like a new pair of trainers or the latest smartphone? Are you saving up for a weekend away or do you spend smaller amounts on regular nights out? Would you fork out for a brand that aligns with your values, such as fair trade clothing, or do you prefer to spend little and often?

From luxury goods to hospitality, brands contending for customers' disposable income have to consider competitors outside of their immediate sphere; when a consumer debates whether or not to purchase a Gucci handbag, they are not only judging that handbag against similar offerings from Prada and Burberry, but also weighing up the purchase against equivalent luxuries, whether it's tea at the Ritz, a box at the Royal Albert Hall or a family holiday.

Luxury means different things to different people – while more affluent consumers might regularly shop at Marks & Spencer as part of their ongoing lifestyle, there will be others for whom a Marks & Spencer shop is a rare treat. We can only tell the difference by enhancing transaction data with third-party data sets, and applying more modern methods of customer segmentation.

Luxury purchases are, inherently, emotional rather than functional. When you're treating yourself, you purposefully seek out brands, products and experiences that resonate with you emotionally. With these emotional ties being such a crucial part of the buying experience, it's more important than ever that brands and organisations build strong and genuine relationships with their customers.

The answer lies in utilising the new big and smart data – including digital data from social networks. When collected and analysed, this data can help you to understand rich context: how consumers are distinct and different, and how you can now explore their genuine and evolving passions, motivations and mindsets.

Capturing emotional loyalty

Traditional measurement methods focus on functional loyalty: that is to say, a customer returning to a particular brand again and again for practical reasons, such as an enticing reward scheme or a convenient location. Emotional loyalty, however, is more complex and hard-won. A customer will only become emotionally loyal to a brand when it corresponds with their passions, values or ideals. By enriching transaction data with third-party data sets such as social intelligence, brands can understand the mindsets that leads to purchase and begin to align themselves with what customers truly care about. Many brands see their competition in terms of similar products and price points, but understanding true customer consideration sets is currently a bit of a mystery and could be the difference between minor and monumental growth.

Of course, the same brand may attract a range of customers for different reasons. Say that two women each purchase tickets to the same theatre production, on the same night, in the same price band: the theatre will have little in their own first-party data to help them tell those customers apart. However, when social insight is introduced to the mix, we can see that customer A is passionate about parenting and Pixar movies, shops regularly at Sainsbury's and loves Miranda Hart and Graham Norton, while customer B shops at Harvey Nichols, Net-a-Porter and Selfridges, is passionate about art, fashion and eating out, and is influenced by Mario Testino and Stella McCartney. Returning to the original transaction data, we discover that customer A purchased four tickets and has visited that same theatre once in the previous year, while customer B has seen five shows at that theatre in the last year, each time booking two tickets.

It thus becomes clear that customer A booked four tickets for a family trip — a special treat for her partner and children — while customer B is a culture vulture with high disposable income, and always makes sure to catch the latest West End shows. This knowledge can be leveraged by the theatre in question to drive lifelong emotional loyalty, using timely outreach and personalised messaging, as well as gaining a clearer understanding of where they sit within their customers' differing consideration sets.

Understanding Mindsets

Mindsets are motivations that unite large consumer groups across industries. They lie behind people's passions, reflecting their genuine values, personalities and lifestyles (for example, are they trend-driven, health-conscious or eco-friendly?). Mindsets can only be algorithmically determined on data sets like Starcount's social graph; very few other data sets are large enough to represent people's passions accurately, and even fewer offer such rich insight into how people spend their time.

Starcount's mindsets rely on a real time, traceable and global database, organised so that each social 'star' represents a passion, meaning that patterns can be traced clearly and automatically, rather than being retroactively interpreted and assigned.

Unlike social listening, this new approach goes beyond the mere (and skewed) 5% of actually produce content on social media, allowing brands unprecedented insight into the reaming, passive consumers – those who listen and watch, indicating their tastes by liking and following.

"Every revolutionary technology brings with it revolutionary change. Businesses and industries that don't adjust quickly could face catastrophic consequences."

Forbes
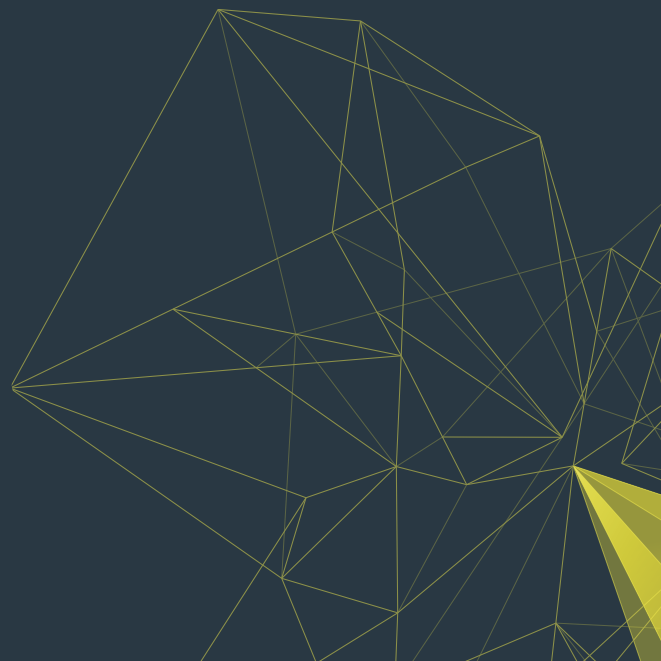
The many faces of luxury study

Starcount has conducted an in-depth study into the passions, mindsets and motivations that lie behind Londoners' spending habits. From local trendsetters who are always up on the hottest neighbourhood haunts to the seasoned spenders who are first in line for Wimbledon tickets, Starcount understands where and why consumers decide to buy and can use this insight to help brands and manufacturers create a truly customer-centric business strategy.

What are the key mindsets that define London consumers?

Starcount's client has **transaction data** for **2 million people in the UK** who have spent between **£300-£5000 on luxuries** with them across the **last two years.**

	Affluent Cosmopolitons	Family Day Trippers	Local Trendsetters	Suburban Commuters	Seasoned Spenders
Customers	323,864	262,267	33,784	118,831	234,081
Av. visits	3	1	4	2	2
Av. items	2.03	4	3.4	3.2	5.3
Av. spend per visit	£130.70	£207.95	£41.64	£149.49	£183.03
Spend	£95,019,885	£86,230,363	£5,627,063	£35,528,092	£85,687,690

Mindset wordclouds: Customers self-describe

Starcount's wordclouds illustrate how particular consumer groups self-describe online. They give a unique insight into the mindsets of consumers in their own words.

London shoppers: An overview

Looking at how the consumers self-describe as a whole, it's clear that these Londoners are creative and passionate about a range of culture, from West End musicals to ballet, opera and film. They love meeting up with friends for coffee or cocktails, but also have thriving family lives, with many of them having children of their own.

Suburban Commuters

Suburban Commuters are all about a healthy work-life balance, whether that's going to an exhibition or for dinner with friends, or grabbing a quiet moment to read with a coffee. They are proud Brits and enjoy following the activities of the Royal Family.

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Local Trendsetters

This group are active members of their different London communities, from Lambeth and Peckham to Camden and Dalston. Many of them work in the creative industries and they enjoy supporting local projects, visiting the latest pop-ups and attending art and theatre shows.

Affluent Cosmopolitans

These proud Londoners are passionate about fashion and regularly fork out for the latest designer pieces. Many of them have made their careers in the fashion industry, working as stylists and in luxury PR.

Family Day Trippers

This is a family-focused group, composed of proud wives and mothers who love entertainment that's suitable for both themselves and their children. This includes everything from an episode of Doctor Who or a Disney film to a West End show or ballet performance.

Seasoned Spenders
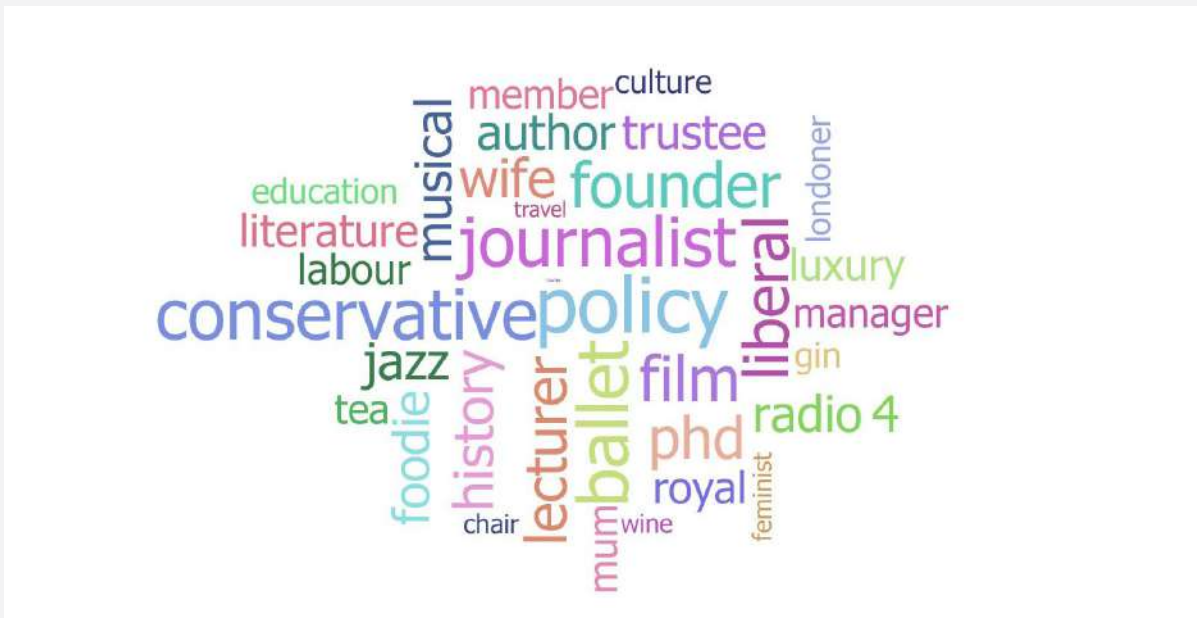
Seasoned Spenders are highly educated, politically-engaged and passionate about culture. They are as, if not more, likely to spend money on experiences as they are on products, with jazz concerts, ballet productions, cinema trips and holidays being amongst their favourite activities.

You have a fraction of the overall knowledge of even your most valuable customers...

The average retailer sees their customers **a maximum of 5-6 times a year, buying up to 9 items.** This leaves a tunnel view of customers within the industry and a long tail of customers that brands struggle to understand or capitalise on.
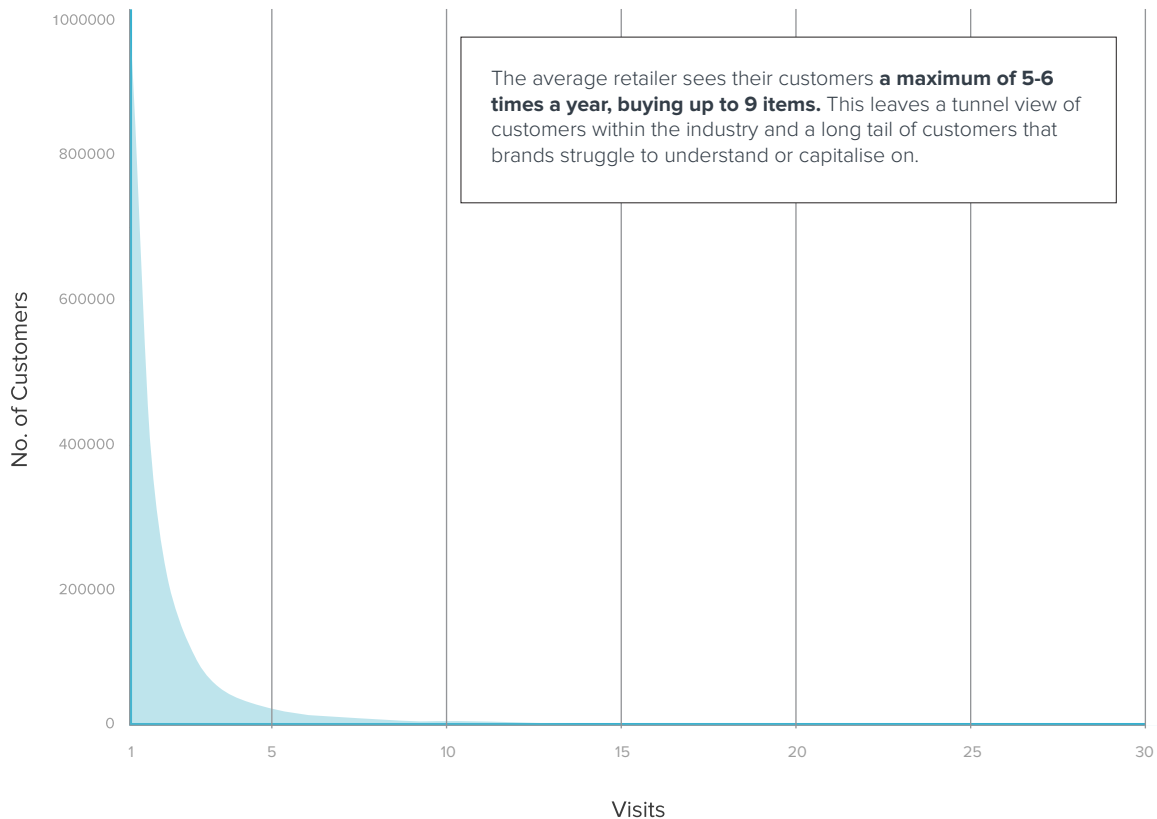
Enhancing transaction data for a complete customer view
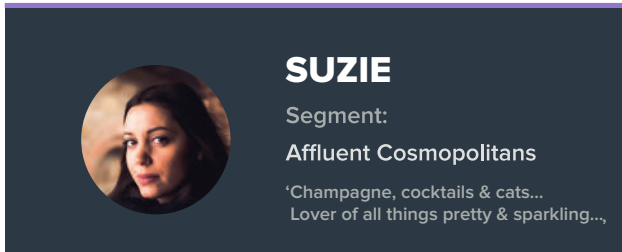
While transaction data is a valuable asset for customer understanding, knowing the small selection of items that a customer bought from you in the past doesn't help you know what — or even if — they will purchase from you in the future. What's more, traditional market research isn't necessarily accurate: people tell research panels what they think a brand wants to hear, not what they actually intend to do, leading to skewed results.

Instead of relying on transaction data alone, Starcount enhances first-party data with a combination of third-party data sources to build a richer picture of who these customers really are and what they do when they're not shopping with a particular brand.
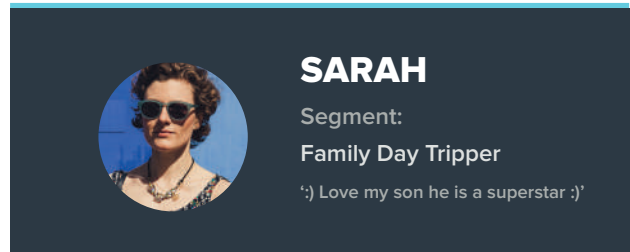
Using modern segmentation methods, Starcount can reveal customers' future intent through the identification of their passions, motivations and mindsets.

Meet your customers - Suzie and Sarah

Suzie and Sarah are two London-based women of a similar age, both of whom have recently bought the same item from the same luxury retailer.

SUZIE

Segment:

Affluent Cosmopolitans

'Champagne, cocktails & cats...
Lover of all things pretty & sparkling...,

SARAH

Segment:

Family Day Tripper

':) Love my son he is a superstar :)'

While Suzie's focus is on fun and luxe aesthetics, Sarah's attention is firmly on her family.

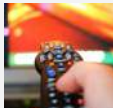## When it comes to their brands and influencers...

...they have a lot in common. Both are fans of high street stores and luxury retailers. They also admire a range of celebrities and social media stars.

Next	House of Fraser	John Lewis	Marks & Spencer	Selfridges	Tiffany & Co.
Chanel	Cara Delevingne	Taylor Swift	Zoella	Lana Del Rey	Dita Von Teese

When it comes to their key passions...

Suzie loves art, fashion, eating out & socialising, while Sarah is motivated by her love for entertainment, reading and shopping.

Art & Design	Fashion	Eating Out & Socialising	TV Entertainment	Books & Literature	Shopping

However, there are some clear differences in their tastes and habits that allows us to distinguish between them.

Suzie is heavily brand-driven, turning to luxury names like:

Harvey Nichols	Moët	Prestat
Dior	British Airways	Liberty London

She loves to go out to eat and socialise at trendy restaurants and members' clubs:

Hawksmoor	Soho House	POLPO

She prefers reading magazines to watching TV and is influenced by fashion designers, journalists and photographers, including:

Coco Rocha	Mario Testino	Stella McCartney
Victoria Beckham	Grace Dent	Karl Lagerfeld

Sarah, on the other hand, is inspired by high-profile individuals and prefers affordable brands like:

H&M	Mango	Starbucks
Nivea	Aldi	TGI Fridays

Sarah's focus is on her home and family:

Wilko	B&M	Appliances Online

She admires a range of shows, and TV and theatre stars, such as:

Andrew Lloyd Webber	Idina Menzel	Miranda Hart
Graham Norton	The Great British Bake Off	Strictly Come Dancing

Fashion lover Suzie was glued to social media during the prestigious Met Gala, pouring over photographs of the outfits on display (a process she repeated during the Cannes Film Festival). Celebrity gossip is her guilty pleasure and she enjoyed catching up on real-time news from Pippa Middleton's wedding, admiring the bride's dress and waiting to see whether Prince Harry's partner Meghan Markle would be in attendance.
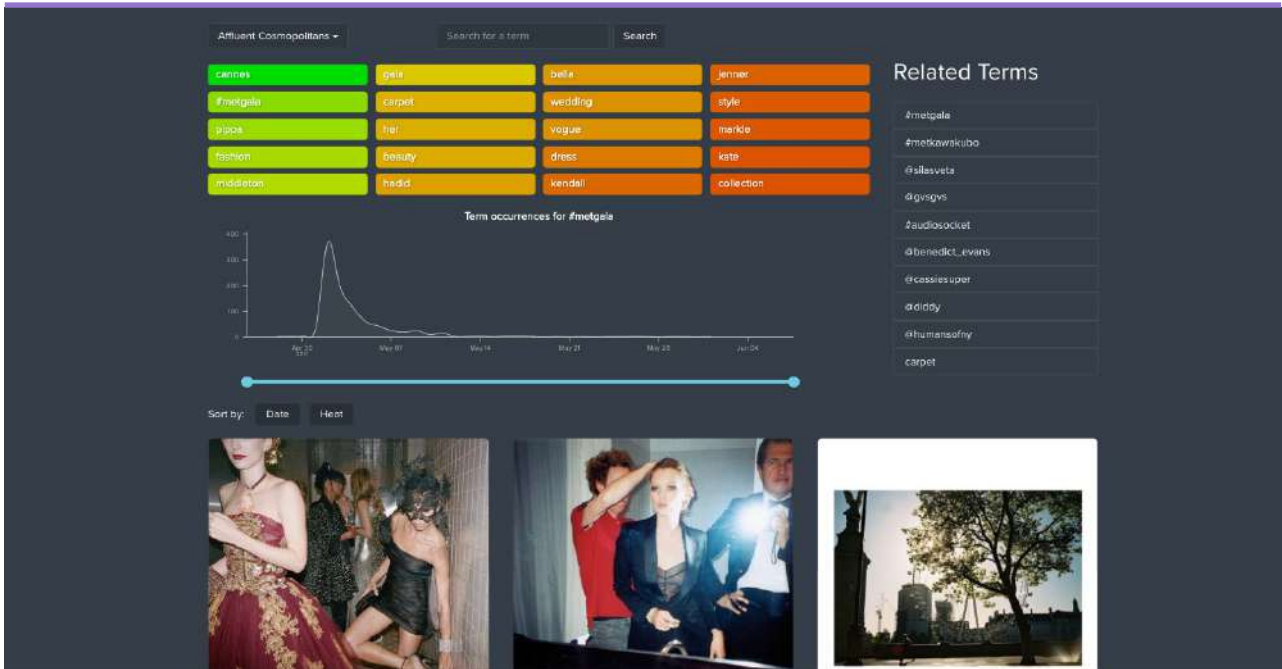
Sarah eagerly followed online coverage of the BAFTA TV awards earlier in the month, tuning into backstage photos from the BAFTA Twitter account and devouring celebrity interviews conducted by presenter Richard Arnold. She also highly anticipated the release of the new Pirates of the Caribbean film, joining the conversation around the film using the official hashtag #deadmentellnotales.
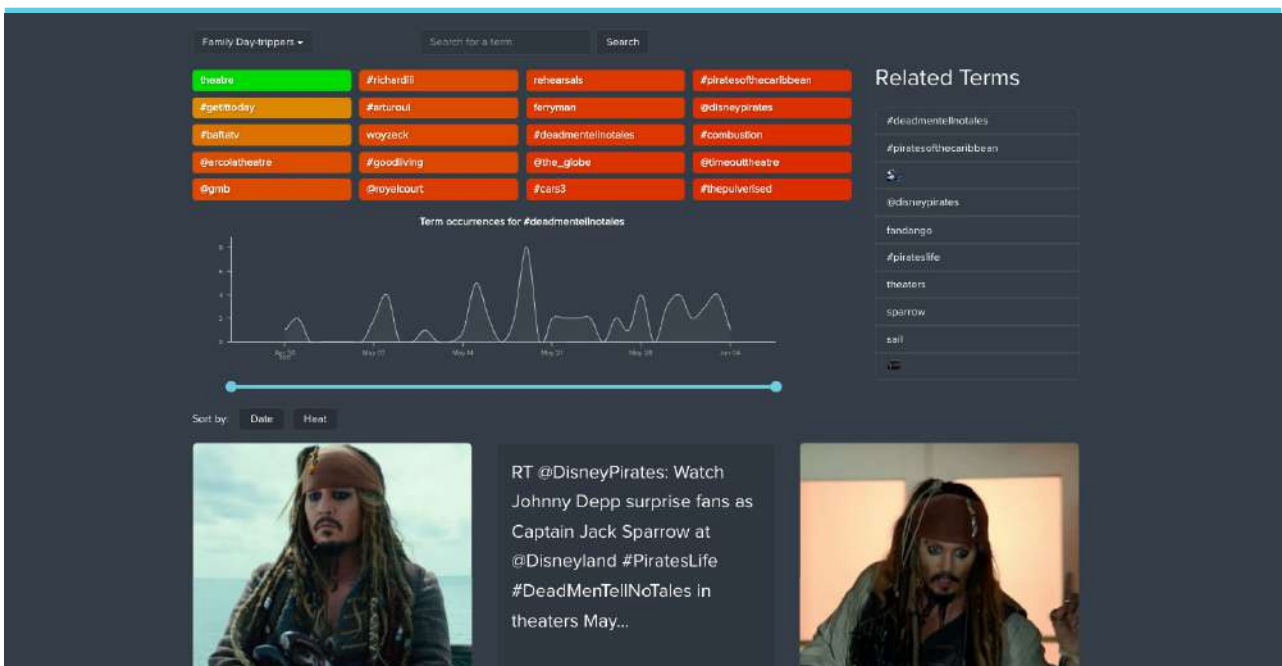
These women, who look so similar when viewed solely through the lens of customer data, live completely different lives; despite a handful of influences in common, they are driven by different passions, motivations and mindsets, leading them to different purchasing decisions.

So what?
Well, consider this.

SUZIE	SARAH
Segment: **Affluent Cosmopolitans**	Segment: **Family Day Tripper**
53% of London customers have similar interests to Suzie	**84%** of London customers have similar interests to Sarah
40% of London customers spend their money similarly to Suzie	**41%** of London customers spend their money similarly to Sarah
719,154 people in the UK Luxury London spending market who think and shop like Suzie	**729,797** people in the UK Luxury London spending market who think and shop like Sarah

If you market to Suzie and Sarah in the same way, **that's over 700,000 potential customers that you're isolating** by failing to create a marketing strategy that takes their varied interests and lifestyles into account.

Changing passions, mindsets and motivations: the effect on brand loyalty

Consumers' passions, motivations and mindsets change over time, influenced by changing lifestages, technological developments and social transformation. By tracking these shifting mindsets using unique, timestamped data, we can understand how, when and why consumers have decided to engage with particular brands, monitor emerging trends and competitors, and predict future buying intent.

This enhanced insight also allows brands to track customer journeys, see who is in their consideration set and intercept consumers at the right moment, using the appropriate messaging and channels.

How well are you speaking to your customers?

This enhanced data and segmentation can help brands to optimise their strategy by identifying how their market share differs to their competitors' across segments.

Health & Beauty: High Street Brands

● Benefit   ● Maybelline   ● Revlon   ● Rimmel London
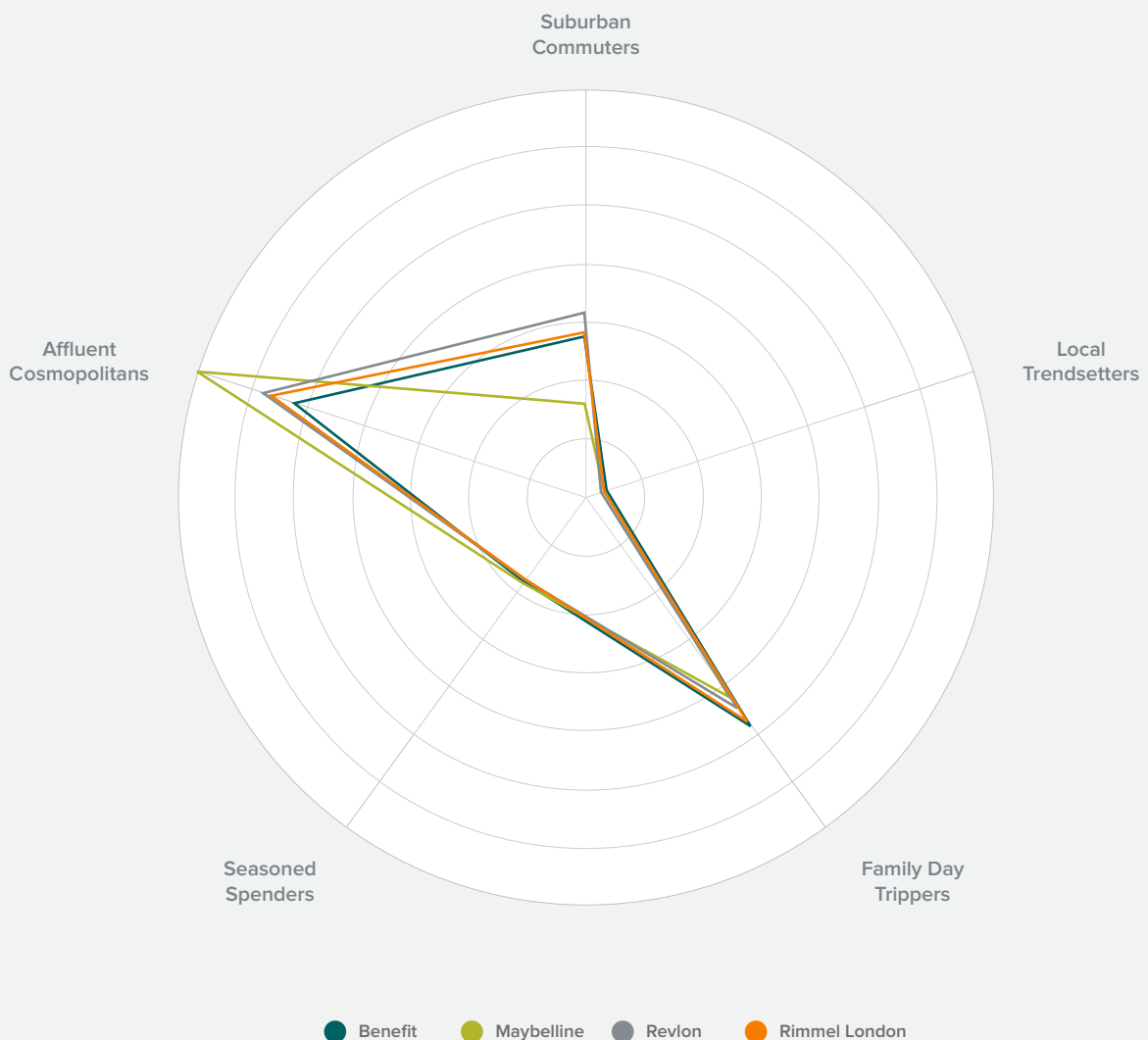
Both the **Affluent Cosmpolitans** and the **Family Day Trippers** enjoy purchasing makeup and skincare products, but while the two groups share similar taste, the latter are restricted by a tighter budget. Both segments use high street beauty products from brands such as Benefit, Maybelline, Revlon and Rimmel, but while **Family Day Trippers** might treat themselves to a new lipstick from Boots or Superdrug as a small pick-me-up, **Affluent Cosmopolitans** save their special purchases for more expensive retailers.

Health & Beauty: Luxury Brands

Suburban Commuters

Local Trendsetters

Affluent Cosmopolitans

Family Day Trippers

Seasoned Spenders

● Space NK ● NARS ● Laura Mercier ● Diptyque

Affluent Cosmopolitans are willing and able to spend money on high-end beauty brands – more so than any other segment. They head to Space NK when they want to top up their everyday beauty regime with something a little more expensive. The radial chart above demonstrates how successfully the luxury beauty retailer has aligned itself with the brands it chooses to stock. Space NK brands including Laura Mercier, NARS and Diptyque all present very similar shapes on the chart, speaking most strongly to **Affluent Cosmpolitans,** with small spikes into **Family Day Trippers** and, in the case of Diptyque, **Seasoned Spenders.**

Retail: Department Stores

Suburban Commuters

Local Trendsetters

Affluent Cosmopolitans

Family Day Trippers

Seasoned Spenders

● Debenhams   ● House of Fraser   ● John Lewis

By comparing three high street department stores, we can see how seemingly similar propositions can resonate with clearly distinct audiences. Debenhams is speaking strongly to **Family Day Trippers**, with small spikes into **Suburban Commuters** and **Affluent Cosmpolitans.** House of Fraser, however, inverses this pattern, resonating most with **Affluent Cosomopolitans**, but also reaching some **Family Day Trippers.** When it comes to John Lewis, we see a very different result; it is the department store most popular with **Seasoned Spenders,** appealing to their classic taste.

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Retail: Leisure Brands

Suburban
Commuters

Local
Trendsetters

Affluent
Cosmopolitans

Family Day
Trippers

Seasoned
Spenders

● ATG Tickets　● Foyles　● GAME　● Hamleys

When it comes to entertainment, **Family Day Trippers** and **Suburban Commuters** are focused on treating their families as well as themselves and it's this mindset that dominates how they spend their disposable income. This is reflected in how the brands perform on the radial chart; ATG Tickets, GAME and Hamleys all have notable spikes into both **Suburban Commuters** and **Family Day Trippers**, showing how these segments will choose to purchase a new toy or video game for their children, and will set aside time for family experiences. By comparison, bookshop Foyles is speaking more strongly to **Affluent Cosmopolitans** and **Seasoned Spenders** – both groups for whom luxury is more about individual indulgences.

Travel & Hospitality: Eating Out

Suburban
Commuters

Local
Trendsetters

Affluent
Cosmopolitans

Family Day
Trippers

Seasoned
Spenders

● KERB   ● Pergola Group   ● Carluccios   ● Pizza Express
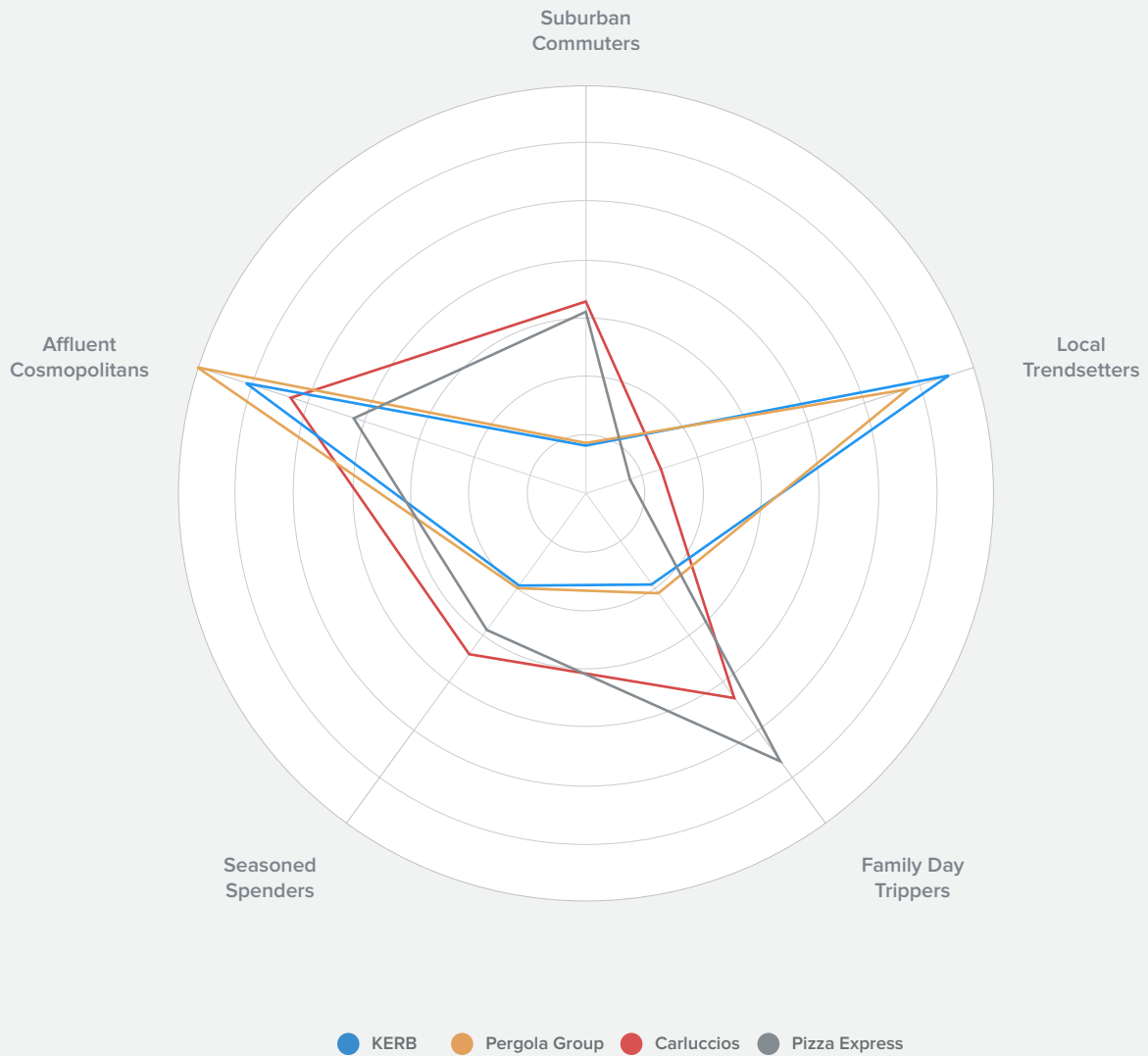
Affluent Cosmopolitans and **Local Trendsetters** are driven by the thrill of the new, regardless of price. When choosing how to spend their evening, they will always seek out the latest openings and most novel experiences, such as KERB street food and Pergola's rooftop dining. **Family Day Trippers**, on the other hand, are more risk-averse when it comes to their disposable income. When planning a special meal out they opt for familiar chain restaurants that are child-friendly, not wanting to waste money on an unknown. **Suburban Commuters** also favour chains, but for this group it's more of a functional choice — these restaurants are often present in train stations, making them the perfect place to grab a quick bite before heading home.

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Travel & Hospitality: Hotels & Spas

Suburban
Commuters

Local
Trendsetters

Affluent
Cosmopolitans

Family Day
Trippers

Seasoned
Spenders

● Champneys   ● Laterooms.com   ● Soho House   ● The Savoy

When it comes to travel and leisure, each of the segments treats themselves in different ways. Champneys resonates strongly with **Family Day Trippers** and **Suburban Commuters** who long for a spa treatment as a tranquil break from their busy lives. When planning trips away, these same segments are keen to get the best deals, relying on Laterooms.com for discounts. **Seasoned Spenders,** on the other hand, will happily fork out for a room at prestigious 5* hotels such as The Savoy. For **Affluent Cosmopolitans**, true luxury is membership at Soho House, where they can relax, eat, drink and sleep in cities all over the world.

Tracking changing customer loyalty

When it comes to customer loyalty, there's only one certainty: customers will move their purchases to whichever brands best understand them and serve their needs. What's more, their desires and expectations are constantly evolving – to stay relevant, you have to keep up.

Starcount's timestamped data allows you to track the flow of fans from brand to brand, illustrating when and how customer loyalty changes over time, and why customers move from a particular brand to its competitors.
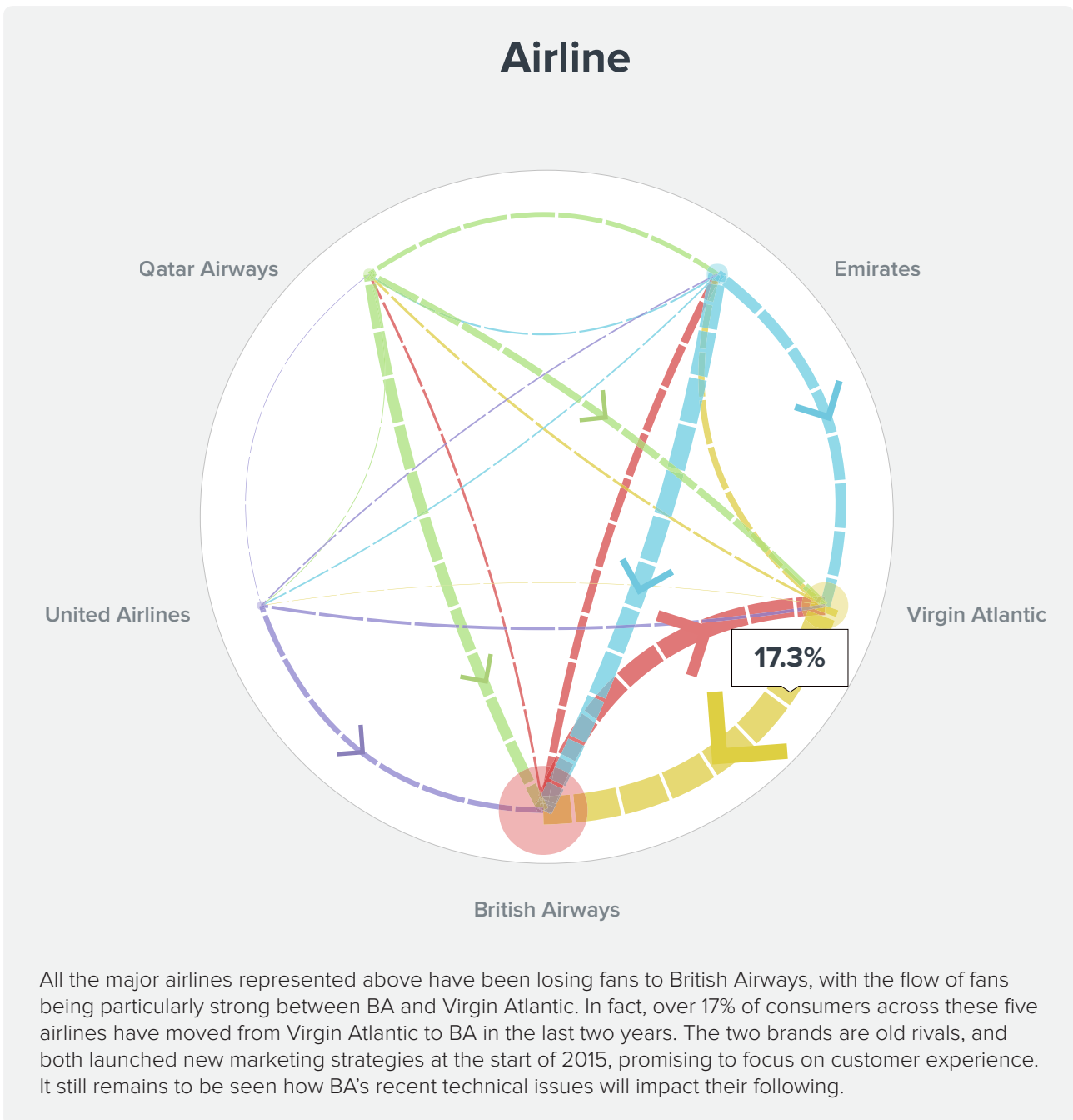
Airline

All the major airlines represented above have been losing fans to British Airways, with the flow of fans being particularly strong between BA and Virgin Atlantic. In fact, over 17% of consumers across these five airlines have moved from Virgin Atlantic to BA in the last two years. The two brands are old rivals, and both launched new marketing strategies at the start of 2015, promising to focus on customer experience. It still remains to be seen how BA's recent technical issues will impact their following.

Athleisure
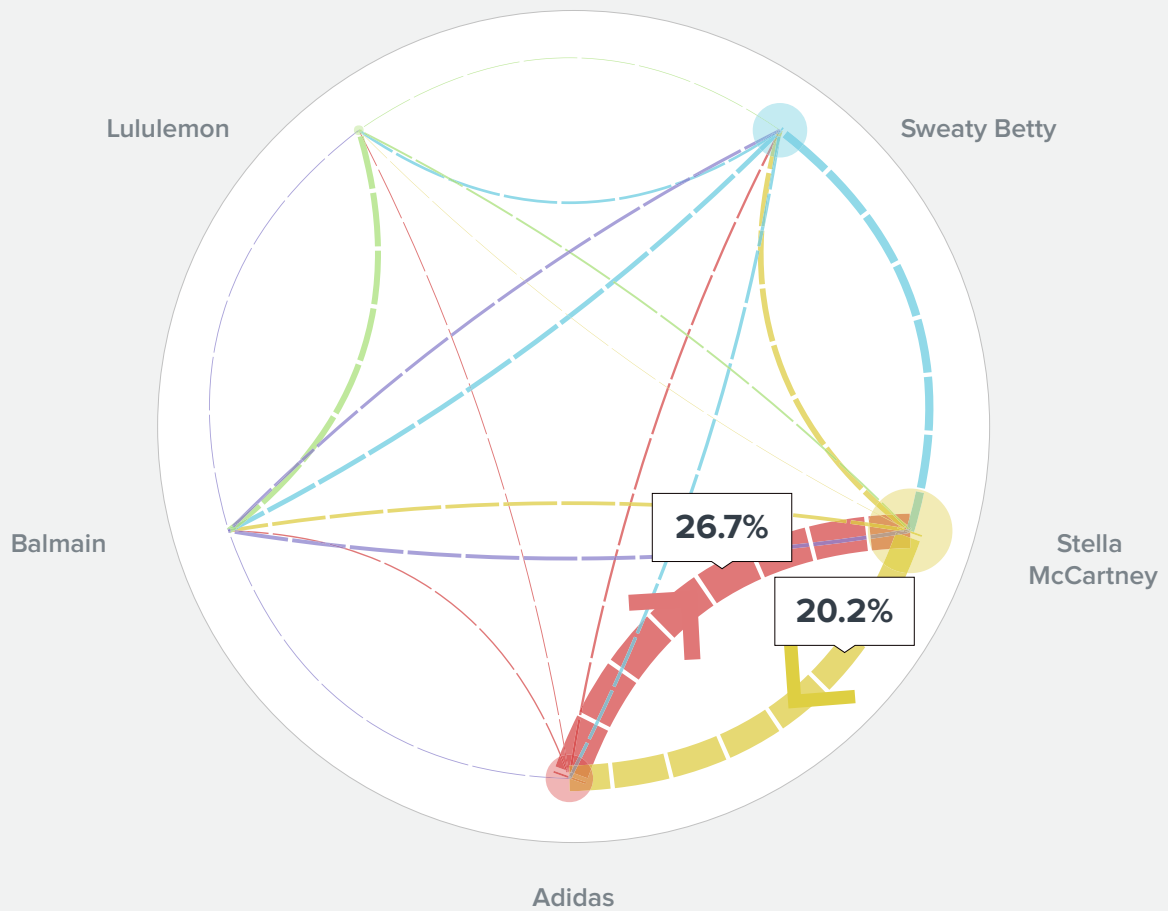
Athleisure wear has become the cash cow of the modern retail industry, causing a host of designers and sports brands to team up in a bid to capture some of the magic. The consistent movement of customers back and forth between Stella McCartney and Adidas since the start of 2015 demonstrates the mutual benefit of the long-term collaboration between the two brands, with the advantage slightly on Stella's side: over 26% of consumers across the market have moved from Adidas to Stella McCartney since January 2015, while 20% have moved from Stella McCartney to Adidas.

High-end Retailers
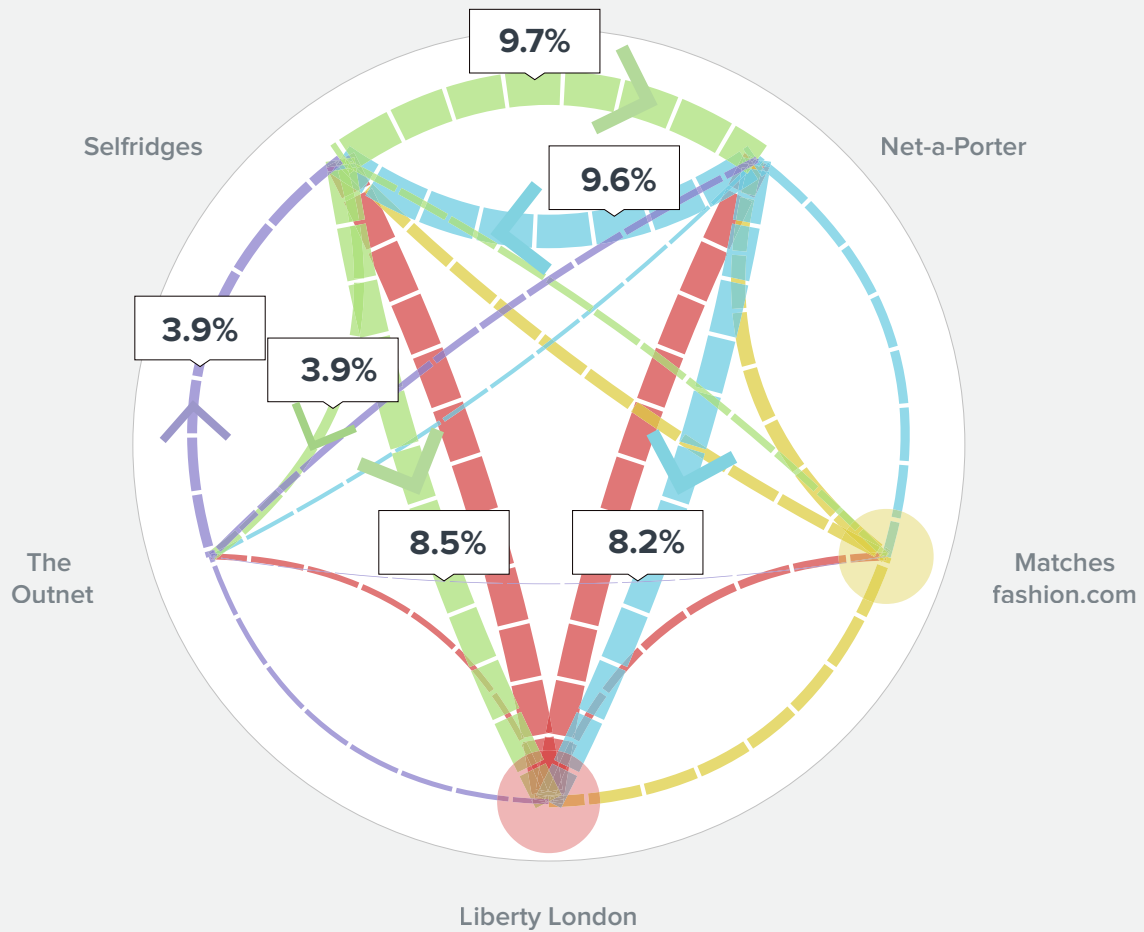
The heavy movement of fans between Selfridges, Net-a-Porter and Liberty London cements the three retailers as the big players in the luxury fashion space, with shoppers wanting a variety of both instore and offline experiences. The exchange of consumers between Selfridges and Net-a-Porter is almost identical (9.7% from Selfridges to Net-a-Porter and 9.6% moving in the opposite direction), while movement between Liberty London and the aforementioned retailers is consistently between 8-9% of the market.

The Outnet and Matches are also seeing some flow of customers to and from the 'Big Three'; while they are still lower-level competitors, the flow of customers from The Outnet and Matches to the 'Big Three' indicates that these two digital retailers are still ones to watch. The Outnet and Selfridges, in particular, seem to share customers: the movement of shoppers between these brands is just under 4% in both directions.

How passions and trends affect customer loyalty

Because social intelligence provides a gateway to people's passions, motivations and mindsets, we can use it to identify emerging communities and trends. This means it's not only possible to keep pace with changing customer demand, but also to predict when and why their loyalties will shift.

Suburban Commuters
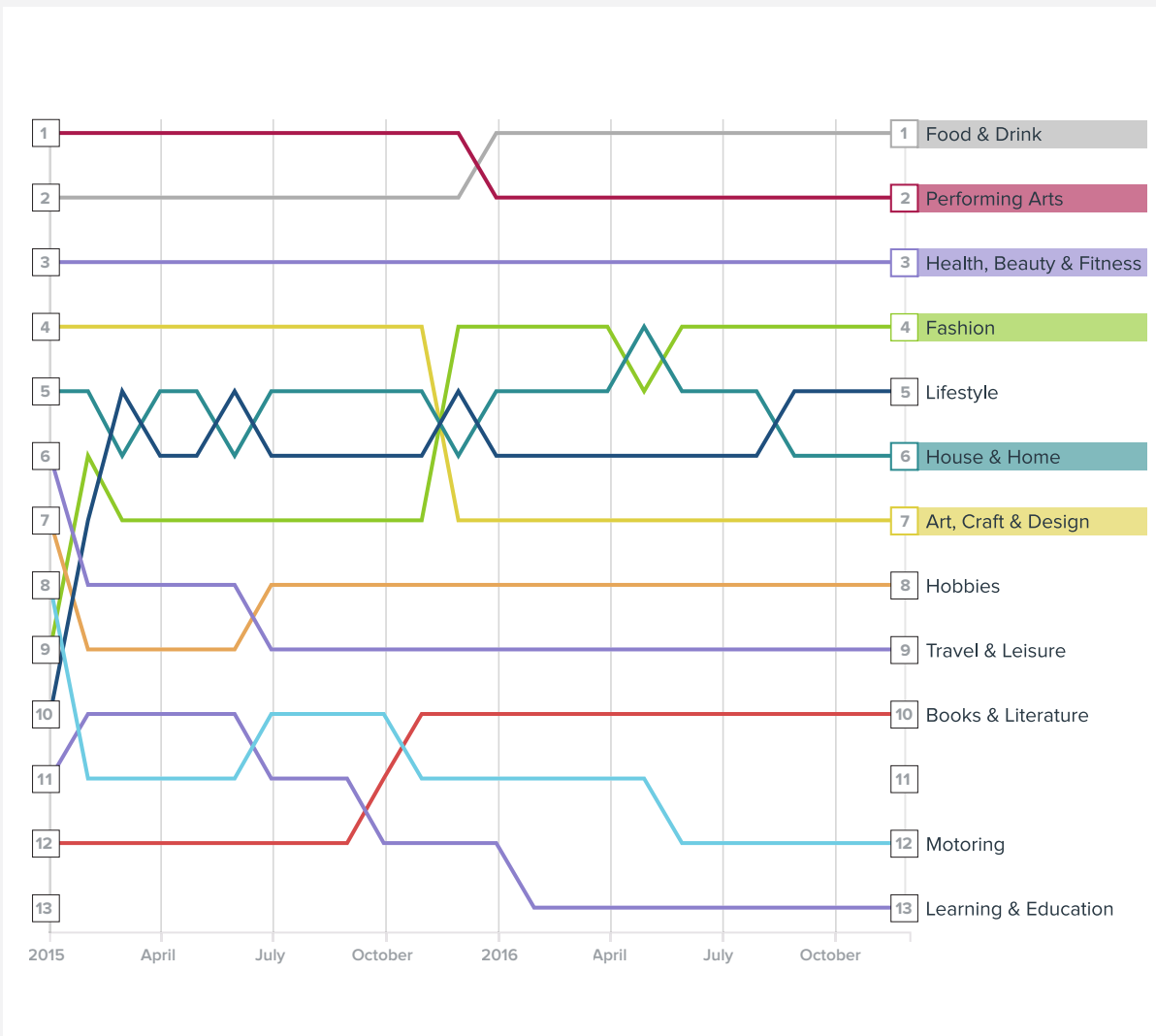
Suburban Commuters' key passions have stayed relatively stable since 2015, with Food & Drink, Performing Arts and Health, Beauty & Fitness topping their list. However, since the beginning of 2016, their interests have become less London-centric, reflecting their commuter lifestyle. Their love of Art & Design - driven by London's top cultural destinations, such as the Barbican and Southbank Centres — has been usurped by an interest in home and family, and they have begun to shop more at high street fashion brands, such as Wallis.

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Local Trendsetters

1	1	Performing Arts
2	2	Art, Craft & Design
3	3	Lifestyle
4	4	Food & Drink
5	5	Books & Literature
6	6	Travel & Leisure
7	7	Business, Finance & Law
8	8	Learning & Education
9	9	Politics & World Affairs
10	10	House & Home
11	11	Fashion
12	12	Hobbies
13	13	
14	14	Motoring
15	15	
16	16	
17	17	

2015 · April · July · October · 2016 · April · July · October
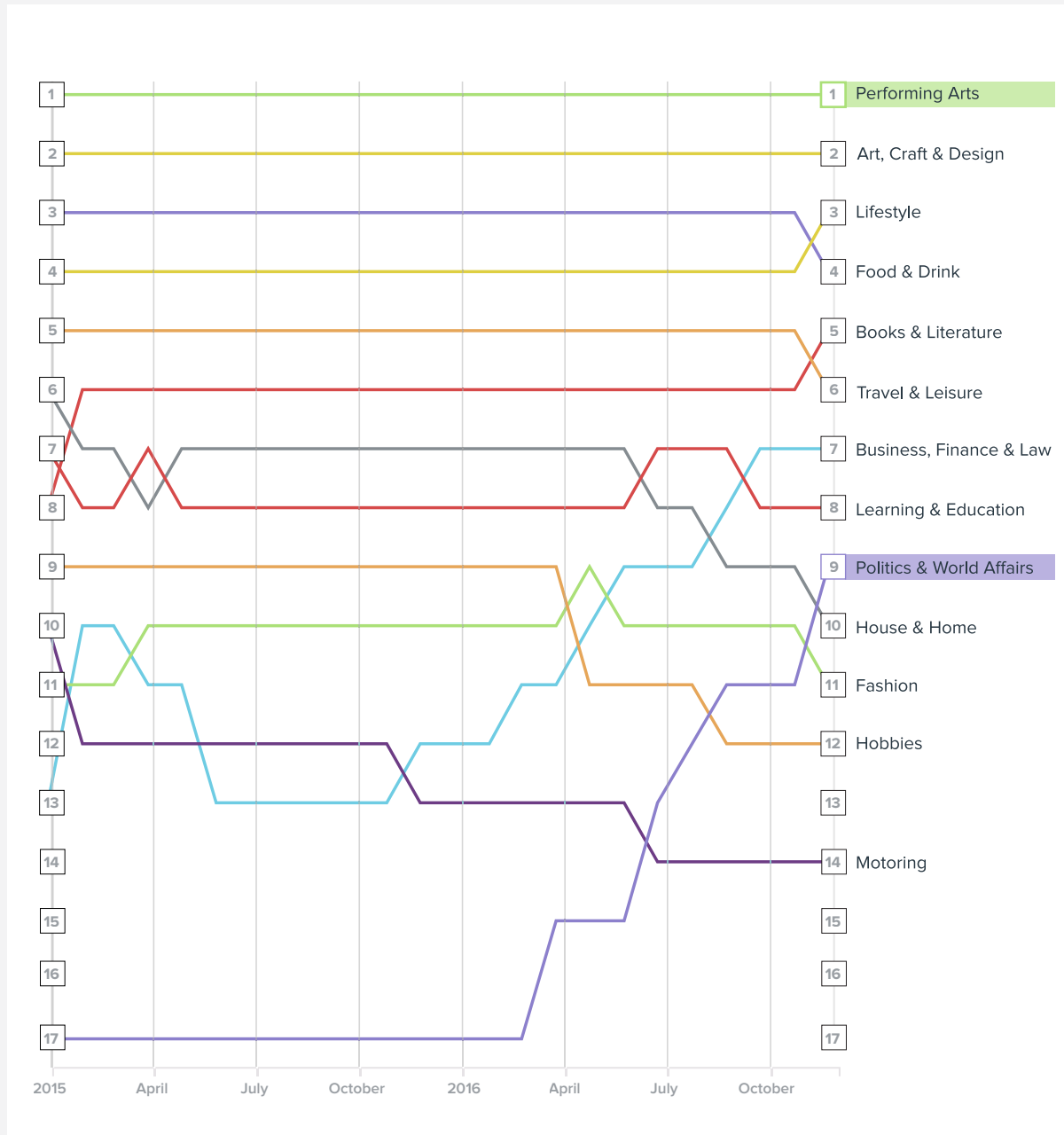
While **Local Trendsetters** are defined by their love and support of the arts, their other passions and interests have fluctuated frequently over the past two years. In the build-up to Brexit and the US Presidential Election, they began to follow current affairs more closely, identifying particularly with left-wing figures such as journalist Owen Jones.

Family Day Trippers

1	Performing Arts
2	Food & Drink
3	Health, Beauty & Fitness
4	House & Home
5	Lifestyle
6	Travel & Leisure
7	Art, Craft & Design
8	Hobbies
9	Fashion
10	Motoring
11	Entertainment
12	Learning & Education

2015   April   July   October   2016   April   July   October
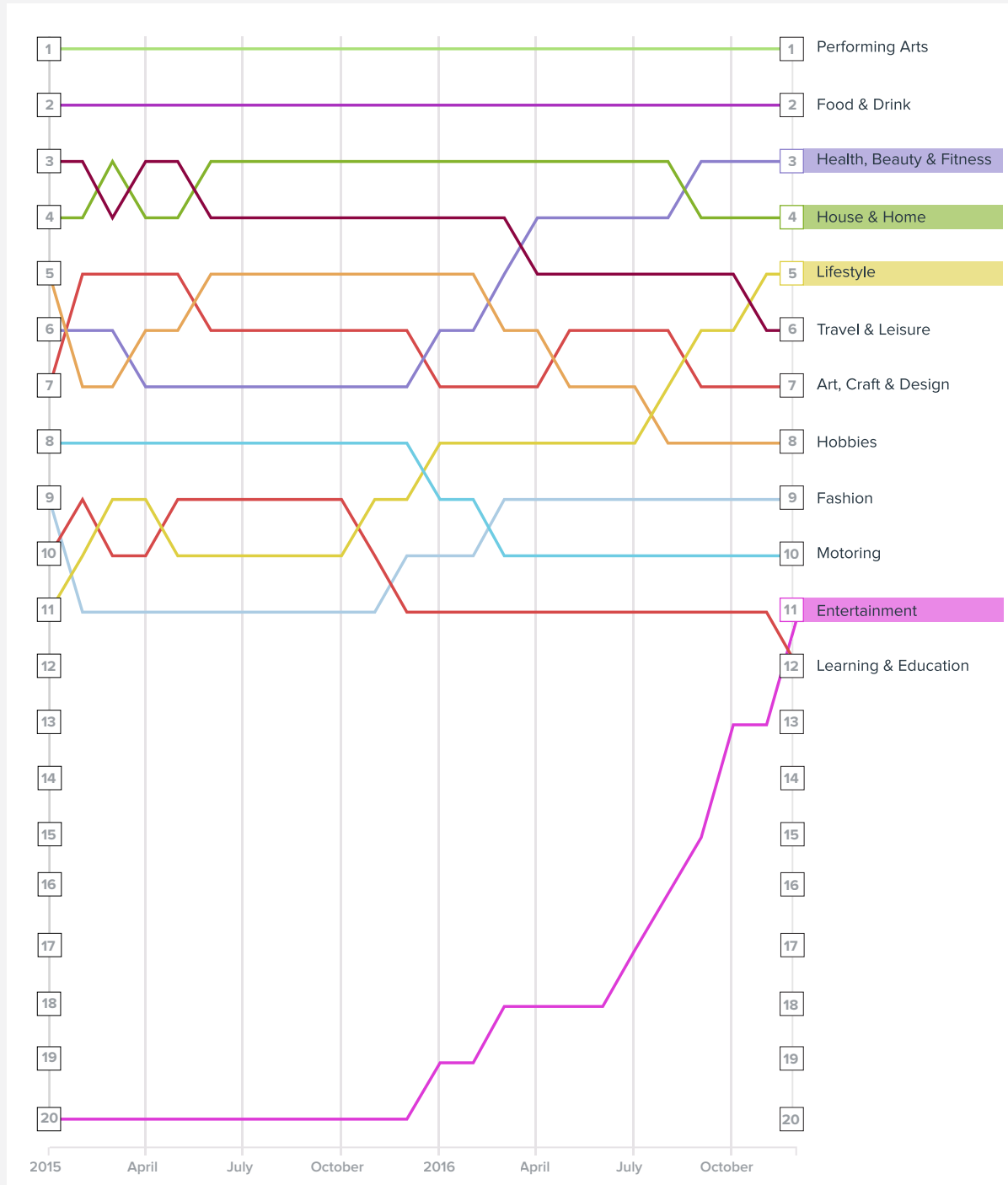
The **Family Day Trippers'** passions have fluctuated regularly since 2015; since having children, their focus has shifted away from Travel and Motoring and moved closer to home. They want to take care of themselves and their families, by keeping fit and healthy, and rely on bloggers for lifestyle tips – particularly those with children themselves.

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Seasoned Spenders

1	Politics & World Affairs
2	Food & Drink
3	Performing Arts
4	Art, Craft & Design
5	Travel & Leisure
6	Fashion
7	Lifestyle
8	House & Home
9	Health, Beauty & Fitness
10	Books & Literature
11	Hobbies
12	Learning & Education
13	
14	
15	Motoring
16	
17	

2015   April   July   October   2016   April   July   October
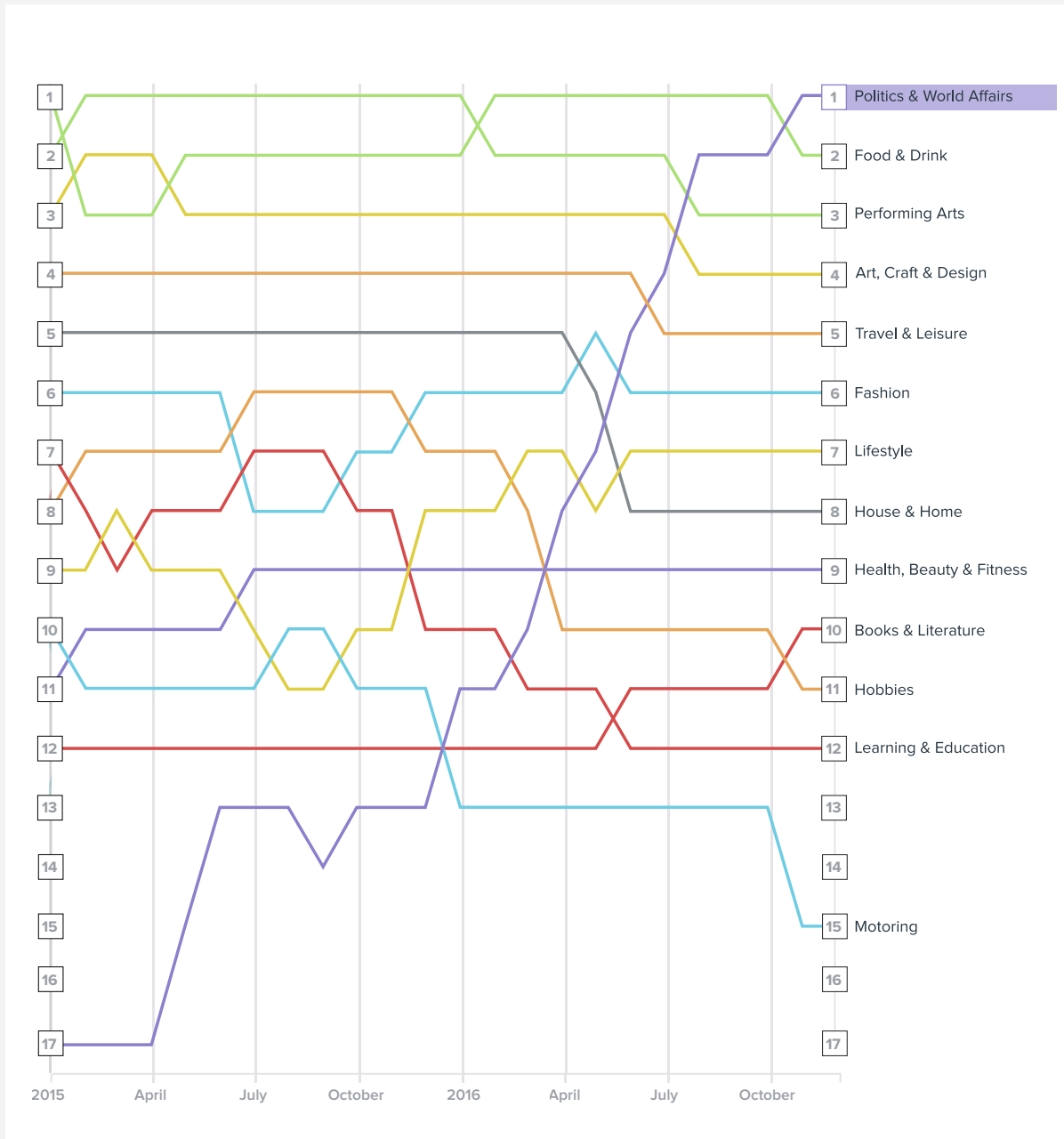
The **Seasoned Spenders'** interest in Politics & World Affairs has grown remarkably since the start of 2015, hurtling from the bottom of the chart to become their top passion. This growth seems to have been driven by three key events, represented by significant spikes on the chart: the UK General Election in 2015, the EU Referendum in June 2016 (and the resulting fall-out) and the US election in November 2016.

Affluent Cosmopolitans

1	House & Home
2	Hobbies
3	Motoring
4	Learning & Education
5	Performing Arts
6	Travel & Leisure
7	Art, Craft & Design
8	Food & Drink
9	Health, Beauty & Fitness
10	Religion
11	Adult Entertainment

2015   April   July   October   2016   April   July   October
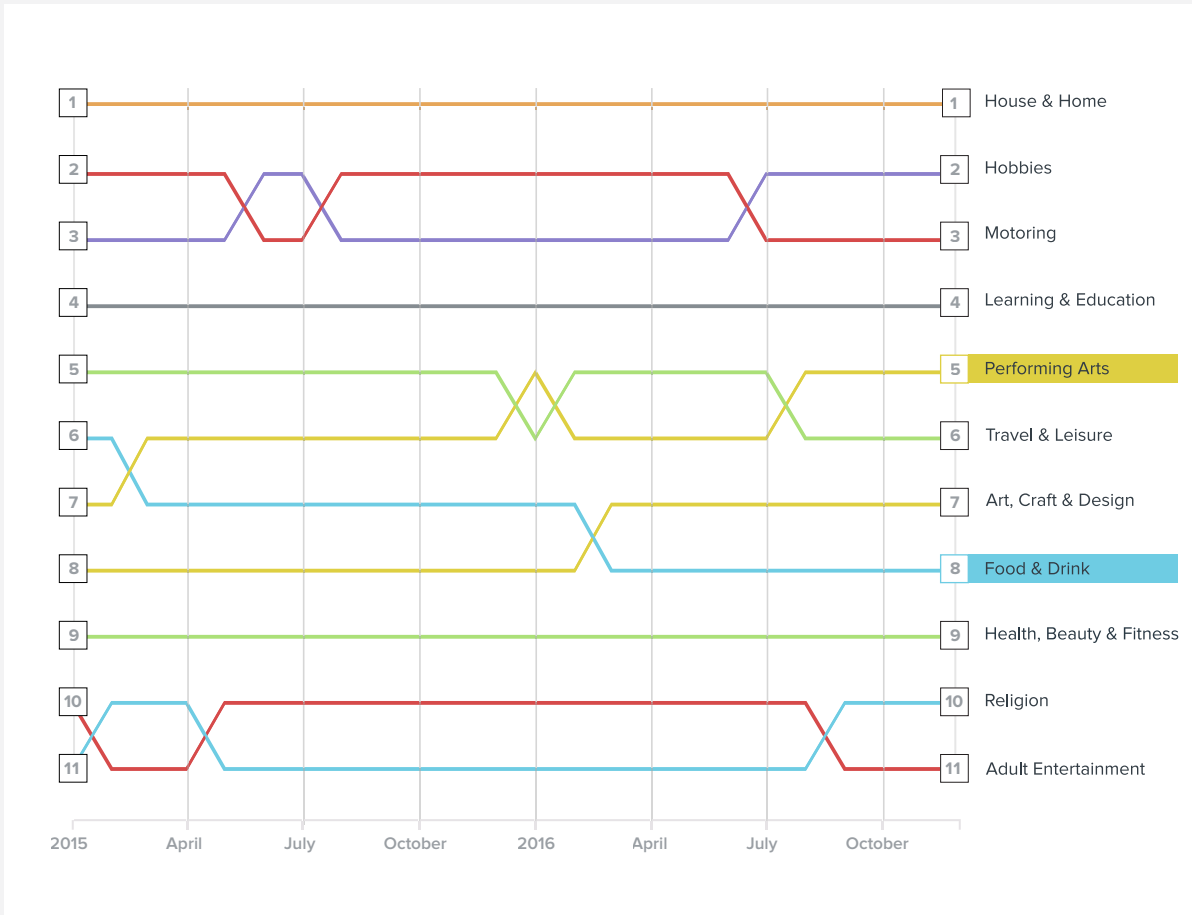
Affluent Cosmopolitans are relatively settled in their tastes; they know what they enjoy and they rarely change their minds. However, since 2015 they have grown increasingly interested in Performing Arts and enjoy taking advantage of London's vibrant theatre scene. Meanwhile, their passion for Food & Drink has lessened; while they still enjoy a delicious meal, their love of the arts has overtaken their enjoyment of cooking.

STARCOUNT

What does this mean to me?

Now that you know more about your customers, how can you apply this insight practically to encourage emotional loyalty and, ultimately, increase revenue?

The real value of your customers

Let's return to our two example customers: Suzie, the Affluent Cosmopolitan and Sarah, the Family Day Tripper. Judging by transaction data alone, Sarah seems to be a more valuable customer than Suzie, spending significantly more per shopping trip. However taking visits into account while Suzie's annual value is far more than Sarah's. What's more, when we take social data into account, we can see that **323,864 customers** share Suzie's mindset while **262,267 customers** have interests similar to Sarah's.

<table>
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SUZIE

Segment:

Affluent Cosmopolitans

Average spend per visit

£130.70

Average visit per year

3

Like minded customers

323,864

</td><td>

SARAH

Segment:

Family Day Tripper

Average spend per visit

£207.95

Average visit per year

1

Like minded customers

262,267

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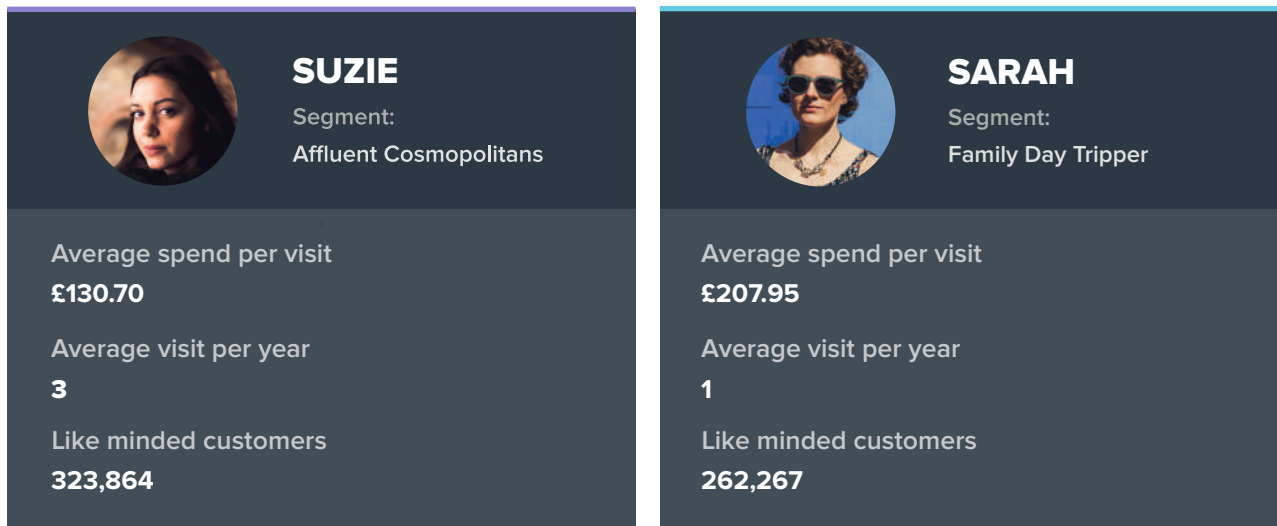
By combining transaction data with social intelligence, we see that one more visit to this merchant alone from Suzie and her fellow Affluent Cosmopolitans would generate **£42m** over two years, while the purchase of one more item would lead to an extra **£41m** over the same time period. On the other hand, one more visit from Sarah and her fellow Family Day Trippers would generate **£54m** and one more item **£33m.**

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<tr><td>

1 MORE VISIT to the merchant
£42 MILLION

1 MORE ITEM purchased
£41 MILLION

</td><td>

1 MORE VISIT to the merchant
£54 MILLION

1 MORE ITEM purchased
£33 MILLION

</td></tr>
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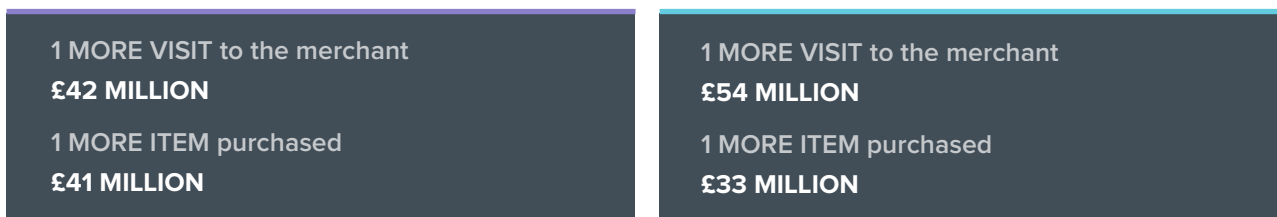
Suzie's loyalty to the merchant, then, is much more valuable than Sarah's; judging by Suzie's multiple annual visits compared to Sarah's single trips, the former is much more likely to re-engage with the merchant. By planning a marketing strategy that taps into Suzie's genuine passions and motivations, the merchant can strengthen her emotional ties with them, with an enormous impact on revenue.

What's next?

The retailer's customer data, enhanced by social intelligence, has significant power which can be used to retain their most valuable customers.

INFLUENCER IDENTIFICATION & ENGAGEMENT
Send new products to influential customers for testing and reviews

BRAND PARTNERSHIPS
Work with relevant brands and event organisers to engage new and emerging audiences

NEXT STEPS

CRM
Use an API to enhance existing datasets and enrich all future customer engagement

MEDIA SPEND
Identify media titles and channels that resonate most with audiences

CONTENT CREATION
Collaborate with key bloggers to produce content that aligns with customers' passions

Conclusion: What are Starcount's recommendations and solutions?

People are complicated, with a diverse, interweaving range of passions, motivations and mindsets. So, too, is the luxury market – incorporating multiple verticals, across both products and experiences, and meaning different things to different individuals at different times.

Passions   **Motivations**   **Mindsets**

Transaction data alone is not enough to get to grips with how shoppers interact with luxury – or any - brands: while it gives a solid, black and white perspective on a brand's customers, social intelligence and other third-party datasets add some much-needed colour to the picture.

As detailed in the introduction to this paper, the key to being a market leader is emotional loyalty – forming strong ties of brand love with your customers, forged by speaking to what they're passionate about at any given moment. Brands can only achieve this level of connection by monitoring the marketplace for changing consumer demand, tracking when their customers have been through a significant life-change and identifying their different motivations for purchase.

A young professional may be able to afford tickets to West End shows, but prefers to spend money on events in their local community. A wealthy couple may consider a trip to a high-end department store an everyday occurrence, but see a stay in a 5* hotel as a rare treat. A brand that understands and accommodates these complex perspectives can become truly customer centric and drive remarkable growth.

About the author

Dr. Clive Humby

Chief Data Scientist

Clive has nearly 40 years' experience in Customer Analytics across 30 markets globally. From creating the first geodemographic system, ACORN, in the 1980s, to developing the use of motivational segmentation in his current role at Starcount, Clive is acknowledged as one of the world's pioneers in the discipline.

With his business partner, Edwina Dunn, he founded global consumer insights businesses, dunnhumby, which revolutionised the use of transaction data for the FMCG industry, before expanding to work with a wide range of consumer-facing businesses, from banking and telecommunications to department stores and online retailers.

He was first to coin the phrase "Data is the New Oil" and is consulted at all levels, from government on the implication of Data Science in the UK Economy through to individual clients where he leads key work streams designed to step change their businesses.

He has elected honorary Fellowships at the Institute for Direct Marketing, the Market Research Society and the Institute of Mathematics and its Applications, and was made a Patron of the Market Research Society in 2013 and Companion of the Operational Research Society in 2014. He has an Honorary Doctorate of Engineering from Sheffield University.

The data team

About Starcount

Starcount helps you to understand customers more than ever before by driving greater value from your customer data, and providing an additional enriched lens of insight into customer loyalty. We believe that knowing the customer better than anyone else helps to create a new customer-centric business culture – a focus on relevant and timely customer service and engagement.

Led by the transformational data pioneers, Edwina Dunn and Clive Humby, Starcount has a rich heritage of exploring and capturing current and fast moving data around customer loyalty.

We are not only data scientists and software engineers, but experienced customer storytellers.

Combining a wealth of customer insight with new era digital and social intelligence, we uncover consumers' wider motivations, mindsets and aspirations. This allows us to help you forge deeper emotional connections by reconsidering business strategy, capturing consumers at the perfect moment and nurturing brand love. We can help you find a true and sustainable competitive edge.

Get in touch:

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