



# A house built for enthusiasts

A collage of images showing various model train sets, including tracks, locomotives, and buildings. Overlaid on the collage is a white box with member statistics.

**MEMBER STATISTICS**

958,500  
Total Members

1,482  
Most Online

NEWEST MEMBER  
Rodders1971  
Joined 5 hours ago

A young girl with long brown hair is smiling and holding a white metal airplane model. The background is a soft, out-of-focus white. The text is overlaid on the left side of the image.

# I thought this would be *easy*

Iconic brands. Built-in loyalty. What could go wrong?

# Points were rolling out

## March 2023

- Hobby Rewards live across all 22 brand websites. Alongside 3 clubs.
- 22K members.
- Double burn campaign reduced points balances to negative numbers.
- Returns process and points reversal unbuilt and manual.
- Customer services overwhelmed and under-supported.

Blank workflows

No behavioural strategy

Points described as "10% discount"

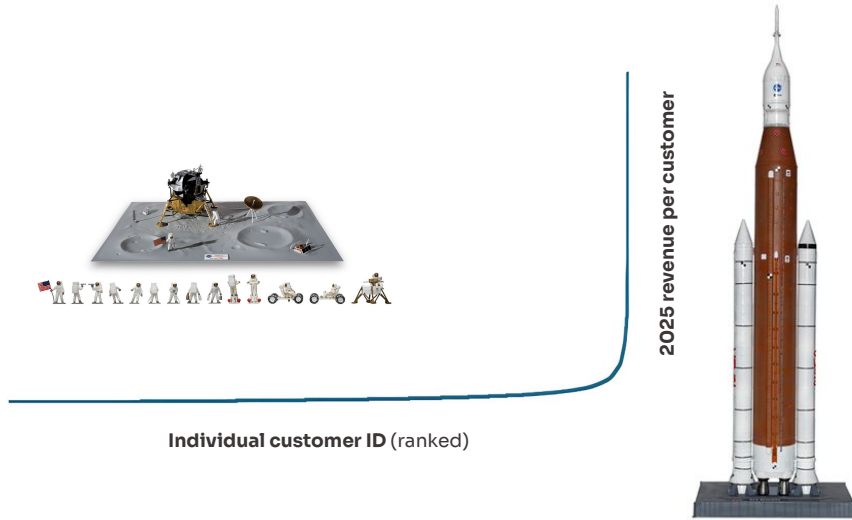


# The vital few are *very* real for us

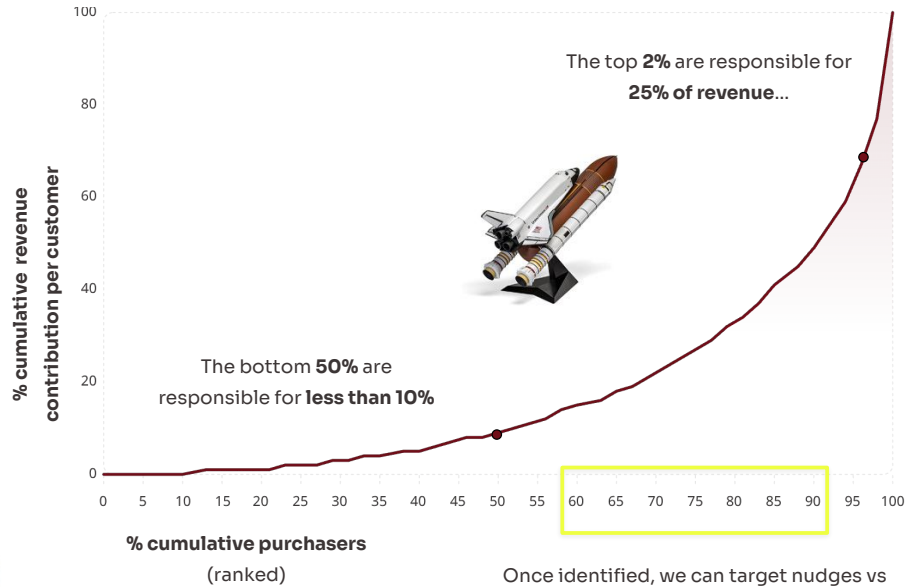
Extreme revenue concentration defines the economics of Hornby. Extreme concentration at the top, long low-yield tail at the bottom.

## Hornby's 2025 revenue contribution distribution

2025 Revenue concentration showing customer distribution from highest to lowest value.



## The Lorenz Curve of a Hobbyist Brand



Once identified, we can target nudges vs incentive investment accordingly, prioritising the **Growth Zone**

# 2nd purchase is the key unlock



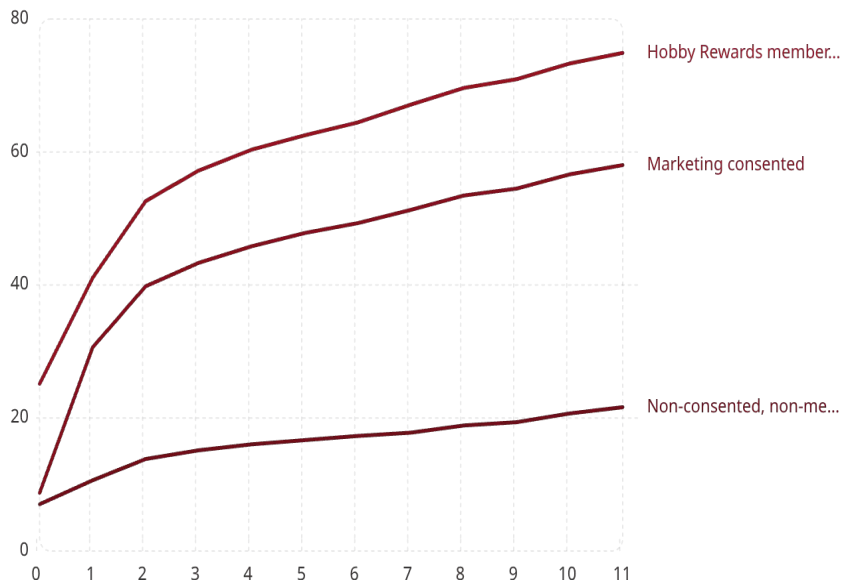
*2nd purchase determines lifetime trajectory. Everything we do needs to optimise that moment.*



**2x**  
POINTS

# Consent and membership *really* matter

Loyalty changes the curve and aggregates our best customers.



of Hornby eCommerce revenue

now flows through Hobby Reward members

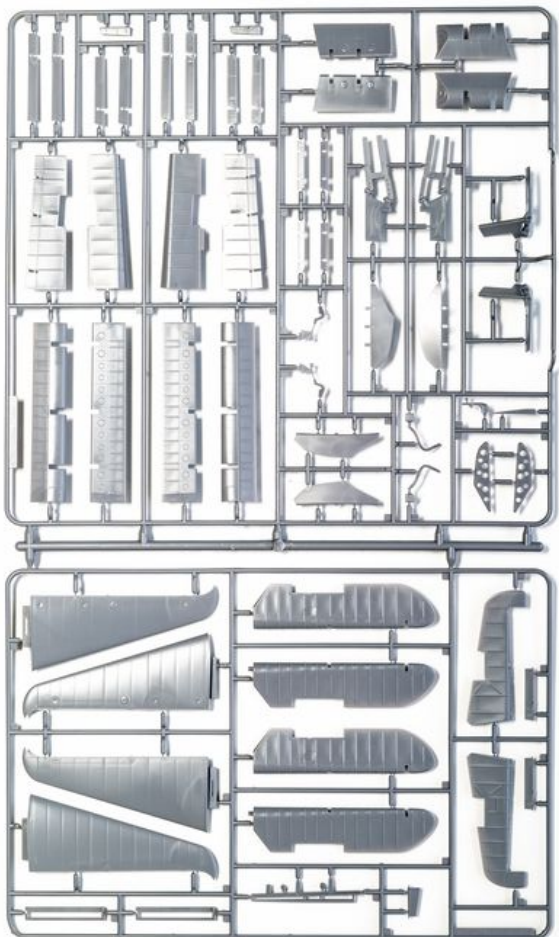


## 12-month maximum repeat rate comparison

- Non-consented: 20%
- Marketing consented only: 58%
- Hobby Rewards: 75%

HOBBY  
Rewards

JOIN FREE  
TODAY



THREE YEARS IN

# Time for discipline

## **Points liability expanding**

Balance sheet implications

## **Discount periods mask behaviour**

Black Friday distortion

## **Redemption clustering**

Patterns emerging in usage

## **Maturing programme fatigue**

Selective capital allocation

# What we've learned about our vital few

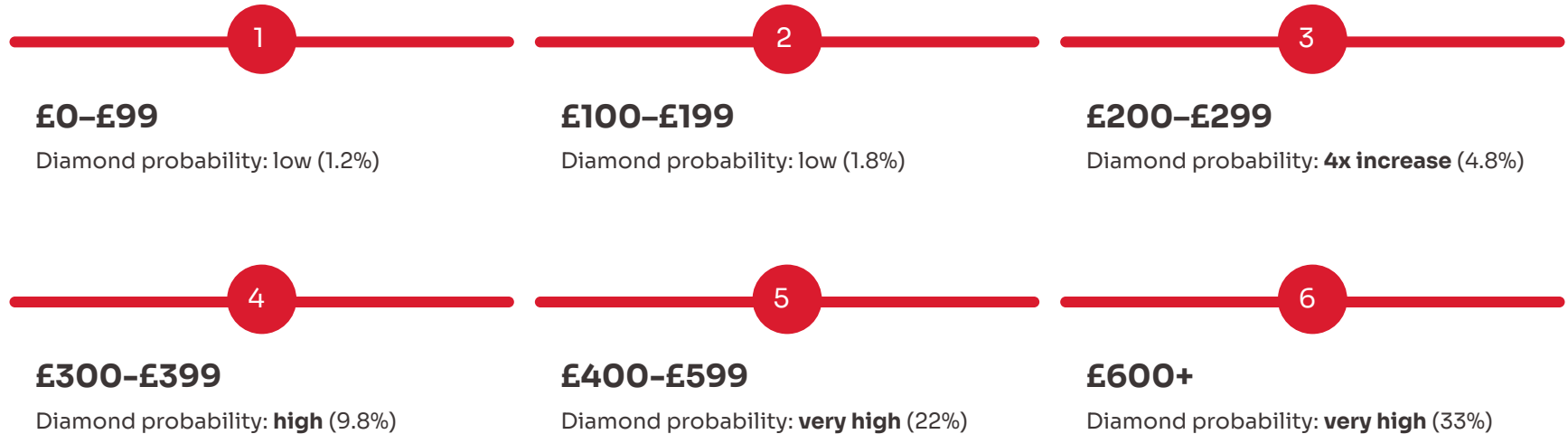
Future high-loyals behave differently almost immediately.

**The diamond signals appear before their spend does.**



# 1st purchase value signals conviction

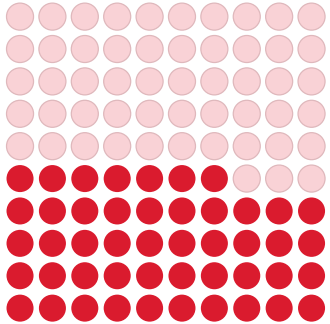
Large first basket: high intrinsic motivation. **Leave them be.** We're already rewarding spend with base points earn. But we're also **detecting decision confidence.**



❑ The **£200–£399** range represents the **Optimal ROI** zone for intervention, where targeted efforts can yield the highest return.

# Velocity reveals conviction

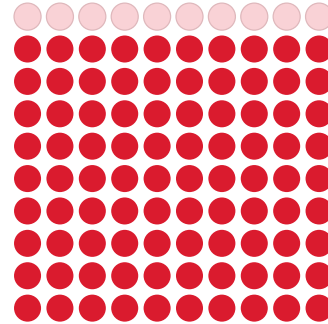
Velocity at the beginning predicts value at the end. Our highest-value customers don't gradually become valuable. They **start fast**. Comparing 6m vs previous 6m revenue growth reveals **momentum**.



47

Diamond Customers

Days to 2nd purchase



90

Others

Days to 2nd purchase





# Brand obsession shows up as decisiveness

## 📄 Friction metrics

### **Diamond customers:**

Sessions between purchases: **2.1**

Searches between purchases: **3.4**

### **Others:**

Sessions between purchases: **5.8**

Searches between purchases: **12.7**

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Measure: **Burst intensity:** maximum visits in a week

High loyals know what they want. Fewer sessions. Fewer searches. More certainty.

# Protect conviction. Intervene on hesitation.

Operationalising capital discipline: stop rewarding everyone



Behaviour Signal	State	Interpretation	Intervention
Fast 2nd purchase	Conviction	High slope	Protect margin, reward status
Slow / overdue 2nd purchase or declining 6m spend	Hesitation	Friction or uncertainty, declining momentum	Time-bound personalised earn
High sessions, low conversion	Exploration	Cognitive load	Simplify, guide, category nudge, ML recommenders
High first purchase value	Early conviction	Likely high LTV	Early progression recognition

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The vital few reveal themselves early. Loyalty should respond to conviction and hesitation differently — not simply reward expenditure. Different behaviours demand different economics. **Precision over generosity.**

CURRENT FOCUS

# What we're changing right now

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Moving away from site-wide earn toward **targeted allocation**

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Operationalising **hesitation-based** automated incentives

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Elevating high-conviction customers through **GOLD status** recognition

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Engineering **early-life progression** via integrated CRM + Rewards

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Scaling redemption utility through **reward partner expansion**

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Building out low-cost, money-can't-buy and member-only experiential benefits and **priority access**

**Find the slope.**

**Back it early.**

# HOBBY *Rewards*



## Thank You

Questions and discussion

<https://www.linkedin.com/in/ljevan/s/>