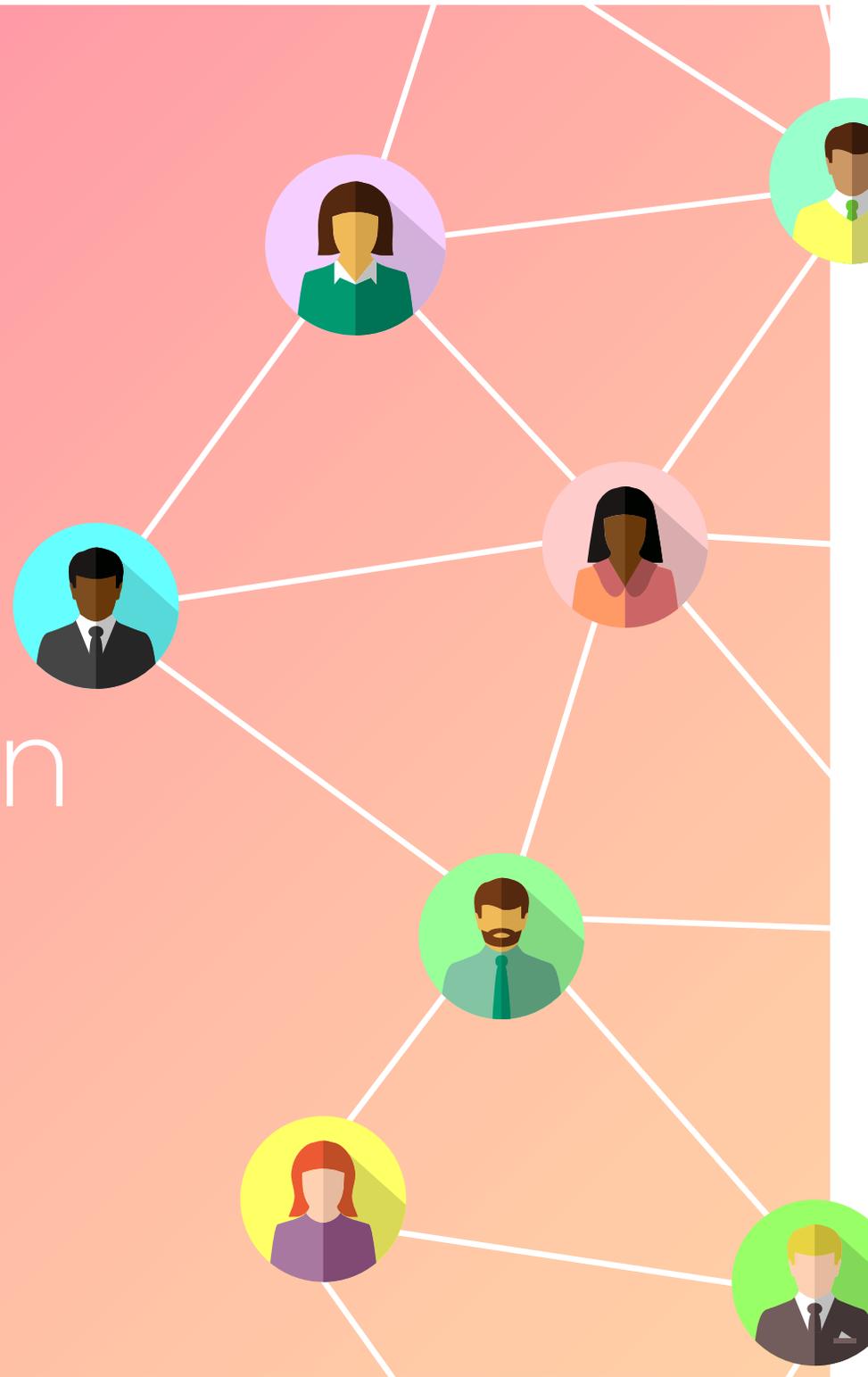


hitwise

# Personalisation at Scale

Marketing tactics to acquire and engage the  
right retail customers

The Australian Edition



## INTRODUCTION

**It's a long-held belief that customers want personalisation.**

Product suggestions need to be hyper-relevant to their individual needs. Communication and messaging should be inextricably linked to their interests.

To do so, companies require data, technologies and processes to continuously deliver the right message, at the right time and place, to the right customer.

The reality is that very few businesses do so at scale.

Companies often run the risk of: targeting too little, therefore not engaging and eventually losing their customers; or, targeting too much, becoming relevant to only a few and missing out on prospective customers.

In this report, Hitwise will show how segmentation can be used to build personalised marketing. The key lies in understanding the true needs and interests of your target consumers, using digital behaviours.

# hitwise

Hitwise is a global consumer insights provider, that helps brands and agencies, like Goldman Sachs, BMW, Westpac and Omnicom, segment, reach and engage with online audiences.

For over twenty years, we have delivered unique insights into how consumers behave online - from initial search to final purchase, at any moment in time, across any device.

## WHAT'S INSIDE

### CHAPTER ONE

## Acquisition at Scale

Pinpointing the needs and motivations of your prospective customers

### CHAPTER TWO

## Conversion Optimisation

Utilising competitive and audience intelligence to convert more customers

### CHAPTER THREE

## Growing Lifetime Value

Identifying upsell and partnership opportunities



## CHAPTER ONE

# Acquisition At Scale

Pinpointing the needs and motivations of your prospective customers

## UNDERSTAND THE NEEDS OF YOUR TARGET SEGMENT

Let's look at an example for a brand like Sephora.

In the beside chart, we can see that searches to Sephora's site largely differed between Gen Z females (18-24 yo) and Gen Y females (25-34 yo). Gen Z looked for CC cream and brow pencils, whereas Gen Y looked for bronzers and powders.

Searches to the wider Beauty industry also varied. For instance, Gen Z females searched for face powders but did so on competitor sites.

Sephora could then use these insights in several ways. The beauty brand could promote a YouTube video on "How to Apply Illuminators" to attract Gen Z females, or create a blog post on "Best Face Care Products in Your 30s" to win more Gen Y females.

### Beauty Searches by Segment

Searches to Sephora and Beauty Industry

	Gen Z Females	Gen Y Females
<b>Top searches to Sephora</b>	<ul style="list-style-type: none"><li>• "IT Cosmetics CC Cream"</li><li>• "Anastasia Dipbrow Pomade"</li><li>• "Tart Blush Review"</li></ul>	<ul style="list-style-type: none"><li>• "Benefit Hoola Bronzer"</li><li>• "Face Care Package"</li><li>• "Translucent Powder"</li></ul>
<b>Top searches to the Beauty Industry</b>	<ul style="list-style-type: none"><li>• "Illuminating Face Powder"</li><li>• "Choosing the Right Blusher"</li></ul>	<ul style="list-style-type: none"><li>• "Hydrating Foundation"</li><li>• "Moroccan Argan Oil"</li></ul>

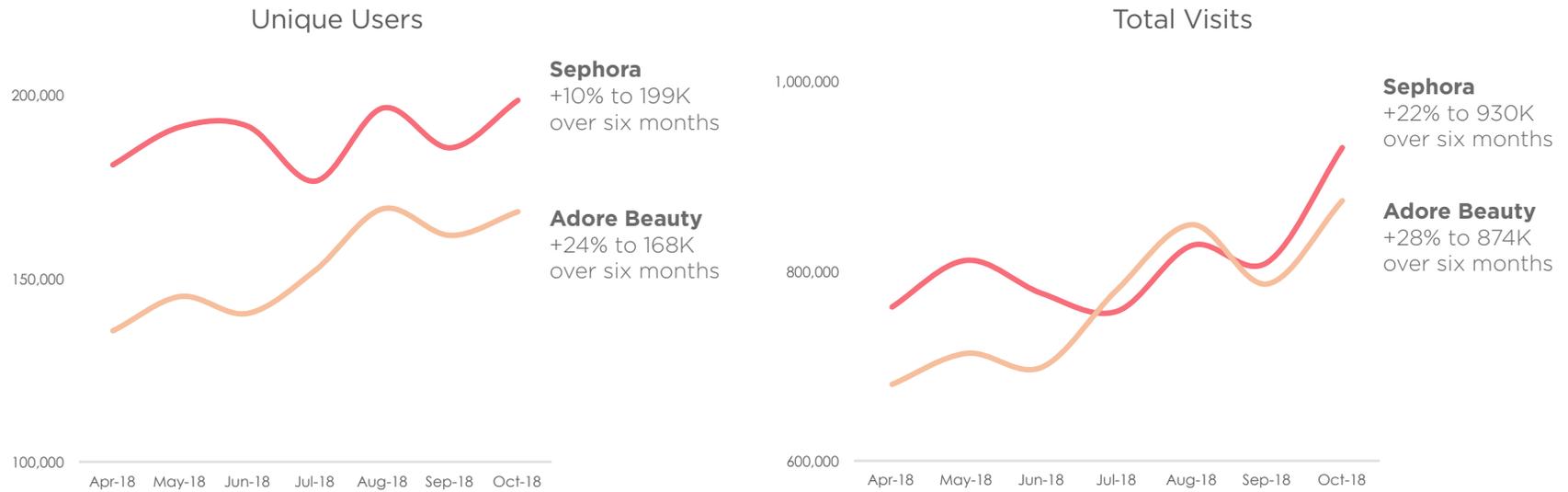
## MONITOR COMPETITOR MOVEMENTS

Sephora also saw an uptake on their website over the past six months. Unique users had grown 10% and visits had risen 22%, from April to October.

But another online player, Adore Beauty, saw faster acceleration. Unique users and visits have risen 24% and 28%, respectively. These increases also came from Sephora's key segments, specifically a 24% rise in Gen Y females and 11% increase in Gen Z females.

Sephora would want to know what had driven Adore Beauty's growth.

### Sephora vs. Adore Beauty

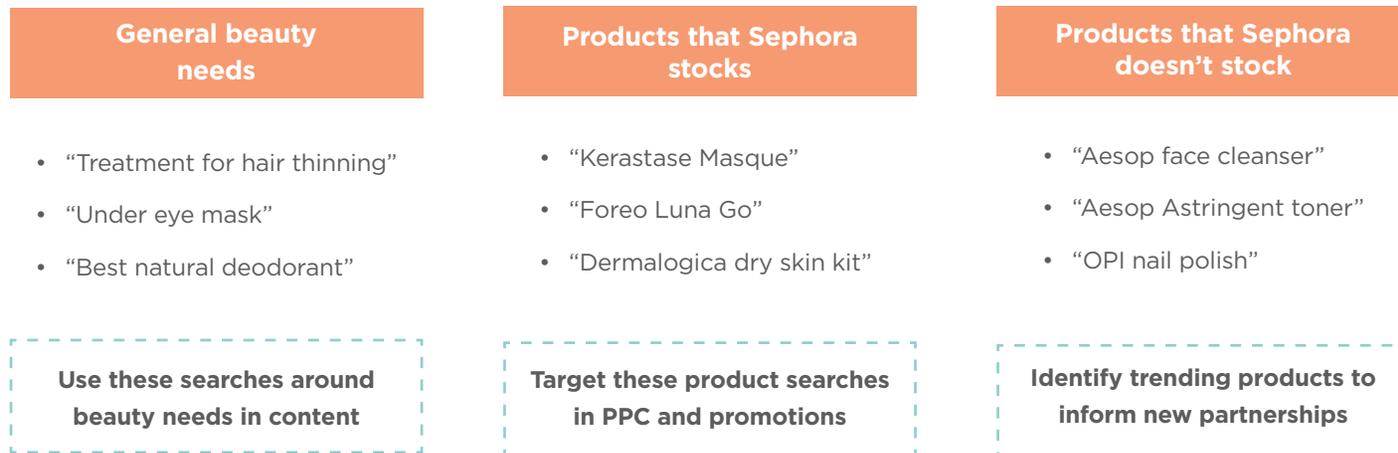


## ANALYSE YOUR GAPS BY SEGMENT

The below chart features one of Sephora's target segments, the Gen Y female visiting Adore Beauty's site. Their top searches are then divided into three groups: Searches around general beauty needs, Product searches that Sephora also stocks, and Product searches that Sephora doesn't stock.

Sephora could use each group of terms in different ways. Searches on general beauty needs could inform their content. Searches around products that Sephora also stocks could be targeted through PPC. Finally, searches around products that Sephora doesn't stock could inform their new brand partnerships and product development.

### Adore Beauty's Gen Y Female Audience Top Searches to Adore's Site



**ACTION STEPS:** Search is one of the best digital indicators for consumer intent. Search data by specific audiences can help you understand the interests and needs of your set segments, as well as attract audiences from the competition.



## CHAPTER TWO

# Conversion Optimisation

Utilising competitive and audience intelligence to convert more customers

## IDENTIFY WHEN YOUR CUSTOMERS DROP OFF

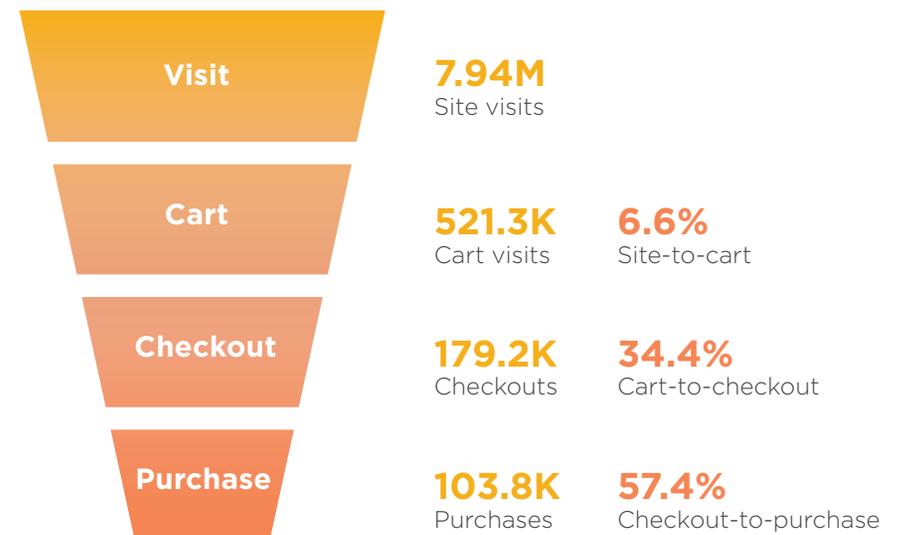
Kogan saw almost 8 million visits to their website in October.

Out of these visits, half a million went on to the online cart, which equated to 6.6% of their total visits.

After the online cart, Kogan had a relatively high conversion rate to their checkout page (34.4%) and purchase confirmation page (57.4%).

So, how can Kogan increase the number of visitors from visit to online cart. In other words, how can they grow their conversion rate?

**Kogan's Conversion Funnel**  
Volume and Conversion Rates

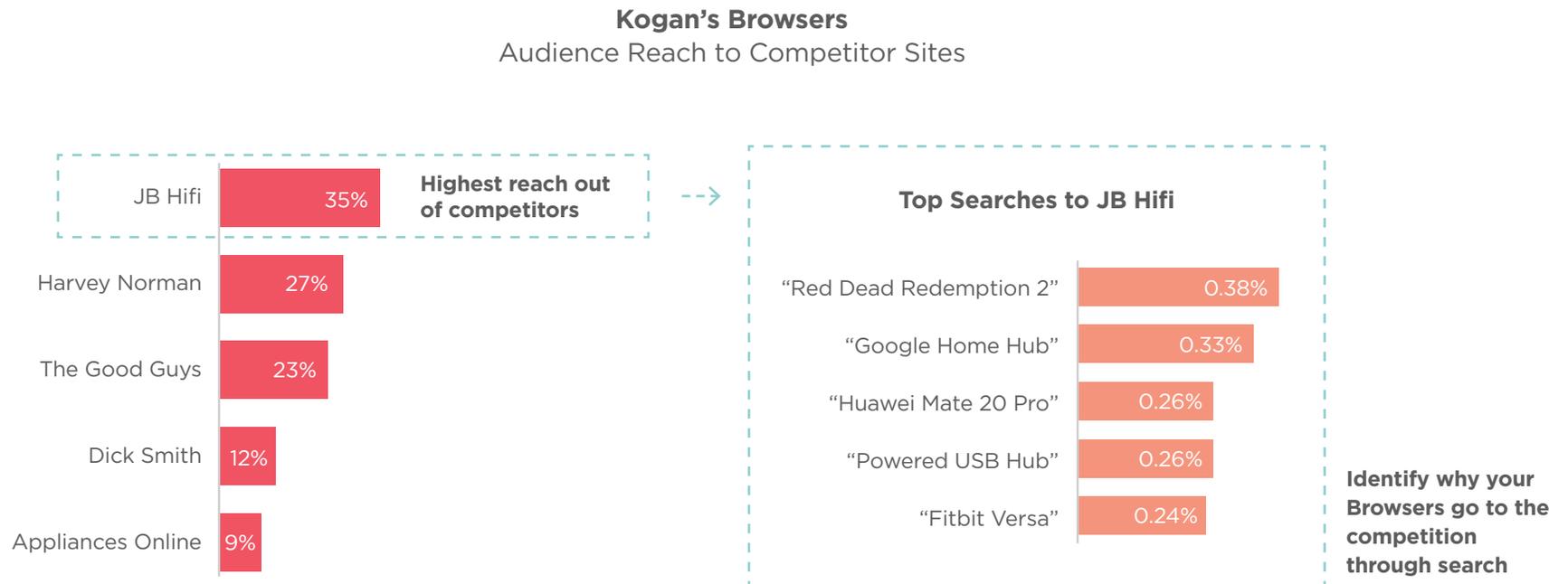


## UNDERSTAND WHERE YOUR BROWSERS GO, AND WHY

Kogan can do so by analysing their “Browser” audience, which include people who visited but didn’t buy on their website.

In the below chart, we can see that 35% of Kogan’s Browsers also browsed on JB Hifi’s site, which was noticeably larger than other competitors like Harvey Norman and The Good Guys.

To understand why, Kogan could identify which searches had led to JB Hifi. These included products like “Red Dead Redemption 2”, “Google Home” and “Huawei Mate 20 Pro”.



## GET TO KNOW YOUR BROWSERS

Kogan's Browsers were also younger and affluent, compared to the average online population.

They were tech savvy, frequent online shoppers and liked to be the first to have new products.

After visiting Kogan's site, their Browsers also frequently looked at discount and reseller sites, like eBay, Catch, Gumtree and OzBargain.

These behaviours imply that deals on trending products are key to getting Kogan's Browsers to eventually buy.

A way that Kogan could respond is by placing exclusive promotions for a limited time on products that their Browsers are acutely interested in, like "Red Dead Redemption 2".

### Kogan's Browsers Audience Profile, compared to Online Population

#### Young and Affluent

- 11% more likely to be **18-24 yo**
- 12% more likely to come from **household incomes of \$150K+**

#### Early Adopters, Frequent Online Shoppers

- 13% more likely to shop online **more than once a week**
- 10% more likely to be the **first to try new products**

#### Bargain Hunters

- Top 10 sites visited after Kogan include discounters and resellers, including: **eBay, Catch, Gumtree and OzBargain**

**ACTION STEPS:** To improve conversions, identify at which points your online visitors drop off. Analysis into your Browsers, such as where else they visit and why through search, can be used to win back this audience.



## CHAPTER THREE

# Growing Lifetime Value

Identify upselling and partnership opportunities

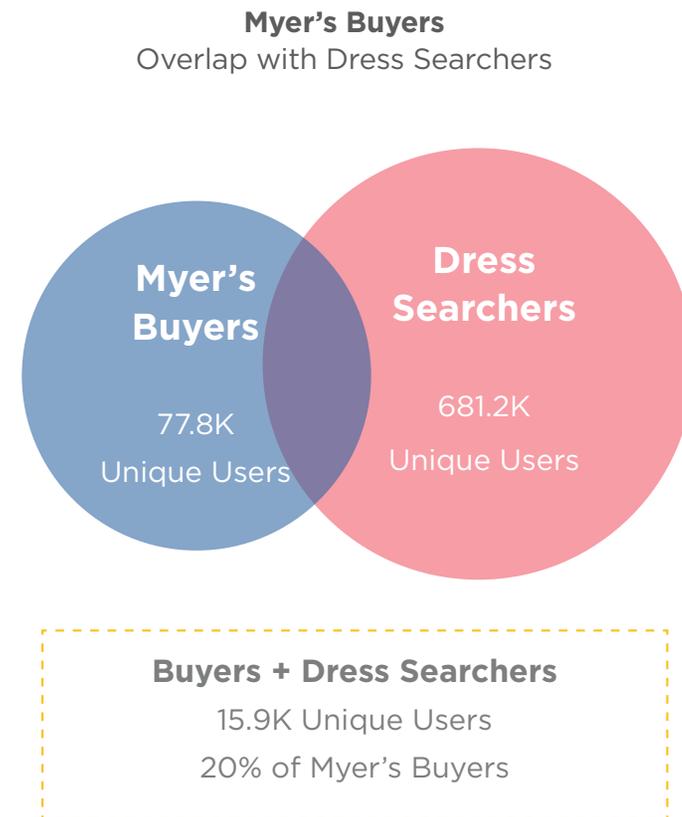
## IDENTIFY YOUR CUSTOMERS' OTHER INTERESTS

In this chapter, we will look at how a retailer like Myer can grow their existing customers.

Again, clues can be found by looking at the broader interests and digital behaviours of their buyers.

The department store saw almost 80,000 people make an online purchase over the past 12 weeks, which equated to 4.6% of their total visitors.

Out of these buyers, 20% of them searched for “dresses” (and variations of the term).



## UNDERSTAND WHERE ELSE THEY BUY

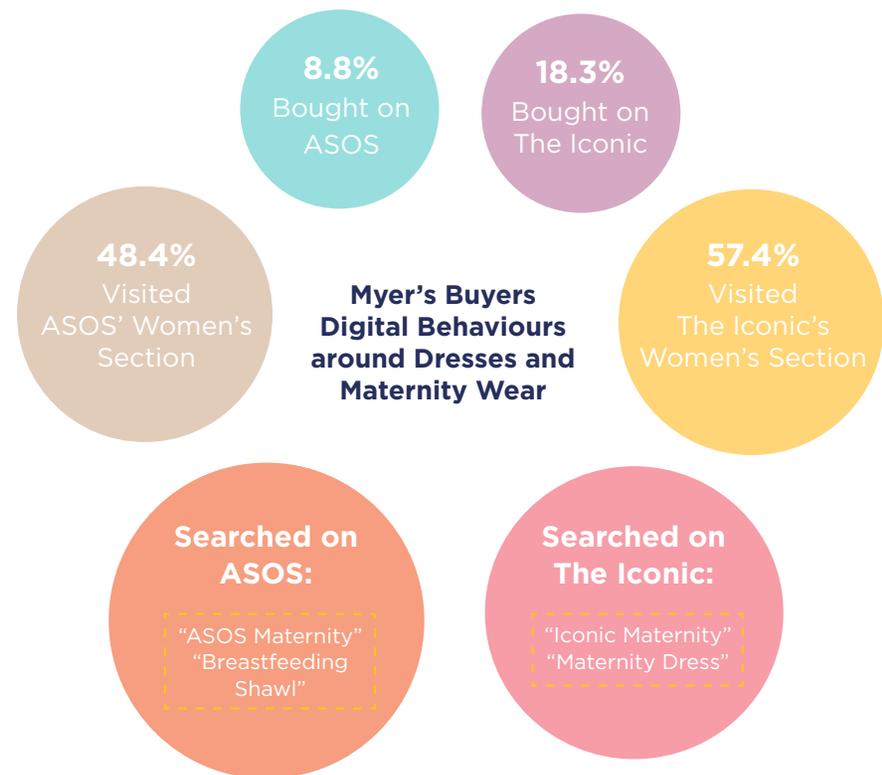
Myer's Buyers understandably don't purchase in isolation. In the beside chart, we can see that they also bought on The Iconic (18.3% of them) and on ASOS (8.8% of them).

Almost 60% of this segment visited The Iconic's Women's section and almost 50% visited ASOS' Women's section. They also searched for another product category, ASOS' and The Iconic's maternity ranges.

By identifying this interest, Myer could then target their Dress Buyers that are also in the market for maternity wear.

This could include bidding on terms that their buyers are searching for on competitor sites, such as "maternity dress" and "breastfeeding shawl".

### Myer's Buyers Interested in Dresses Digital Behaviours on ASOS and The Iconic



## SEEK PARTNERSHIP OPPORTUNITIES

Another way to re-target and upsell their existing customers is through partnerships.

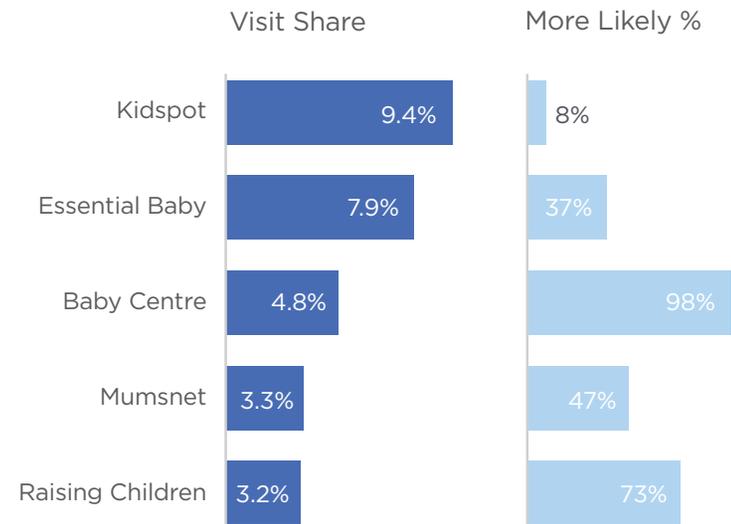
Myer's Buyers visited a number of blogs and publishers around family planning and baby advice.

With these digital clues, Myer could engage with their buyers in different ways.

This could include placing display ads or building native content on Kidspot or Essential Baby.

The department store could also promote exclusive deals on sites like Mumsnet on their womenswear, maternity and baby clothing ranges.

**Myer's Buyers Interested in Dresses**  
Digital Behaviours on Publishers



**Identify publishers that your Buyers are looking at for content and display opportunities**

**ACTION STEPS:** Competitive data can support your efforts to grow your existing customers. Identify what else your customers are interested in through digital points. Understand where else they spend their time online for partnership opportunities.

## KEY TAKEAWAYS

Very few companies have been able to achieve true personalisation with their customers, and do so at scale. But there are marketing tactics that companies can utilise to acquire and engage with the right sets of customers.

In this report, we walked through examples covering key stages of the customer's journey. This included:



**1. Acquisition:** Using search analytics to track the interests of your set segments, as well as identifying new ones.



**2. Conversion:** Incorporating competitive and audience intelligence to convert more customers.



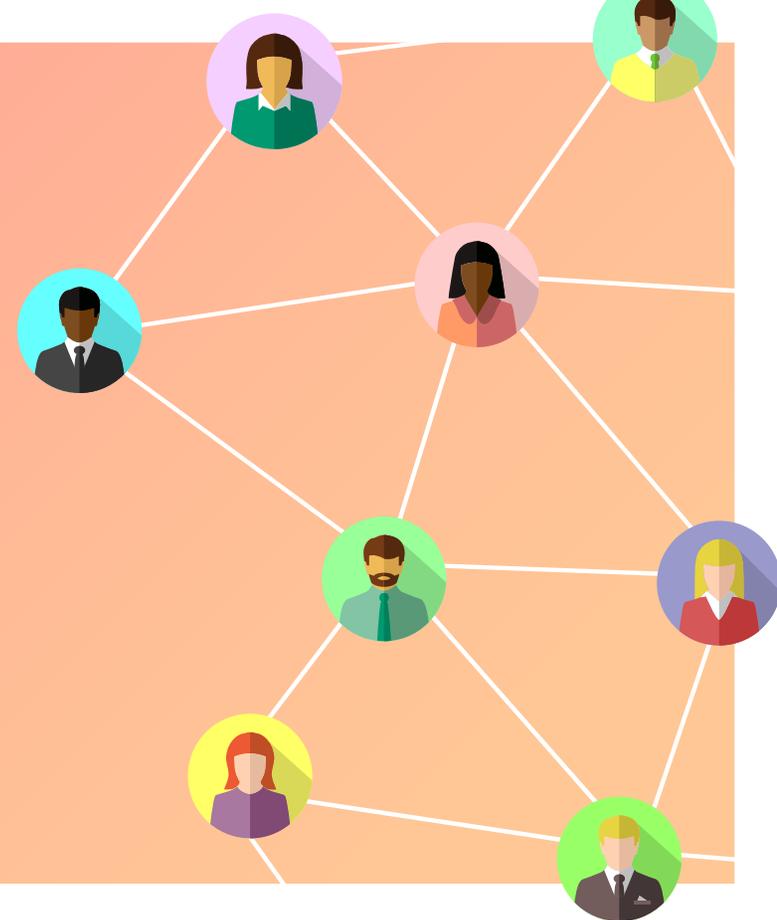
**3. Growing Lifetime Value:** Using online behavior, such as visits to product pages and other industries, to develop upsell and partnership opportunities.

The key lies in segmentation and making meaning of your customers', or potential customers', digital touchpoints.

# Ready to get Personalised?

**hitwise** will help you uncover hidden opportunities and higher-ROI customers.

FIND OUT HOW



## METHODOLOGY

### Chapter 1

**Page 4:** Hitwise AU. Audience = 18-24 yo and 25-34 yo Females. Searches to Health & Beauty Industry and Sephora's site. Period = 4 weeks to 17 November, 2018.

**Page 5:** Hitwise AU. Total visits and unique users monthly to Sephora vs. Adore Beauty's site. 6 months to October 2018.

**Page 6:** Hitwise AU. Searches = Top terms to Adore Beauty. Audience = Females 25-34 yo. 4 weeks to 27 October 2018.

### Chapter 2

**Page 7:** Hitwise AU. Visits and conversion rates on Kogan. 4 weeks ending 27 October 2018.

**Page 8-9:** Hitwise AU. Visited but did not purchase on Kogan's site. Audience reach to competitor sites. 4 weeks to 27 October 2018.

### Chapter 3

**Page 10:** Hitwise AU. Purchased on Myer's site and searched for "dress" (and variations). 12 weeks ending 27 October 2018.

**Page 11-12:** Hitwise AU. Purchased on Myer's site and searches for "dress" (and variations). Digital behaviours on competitor and publishers. 12 weeks ending 27 October 2018.