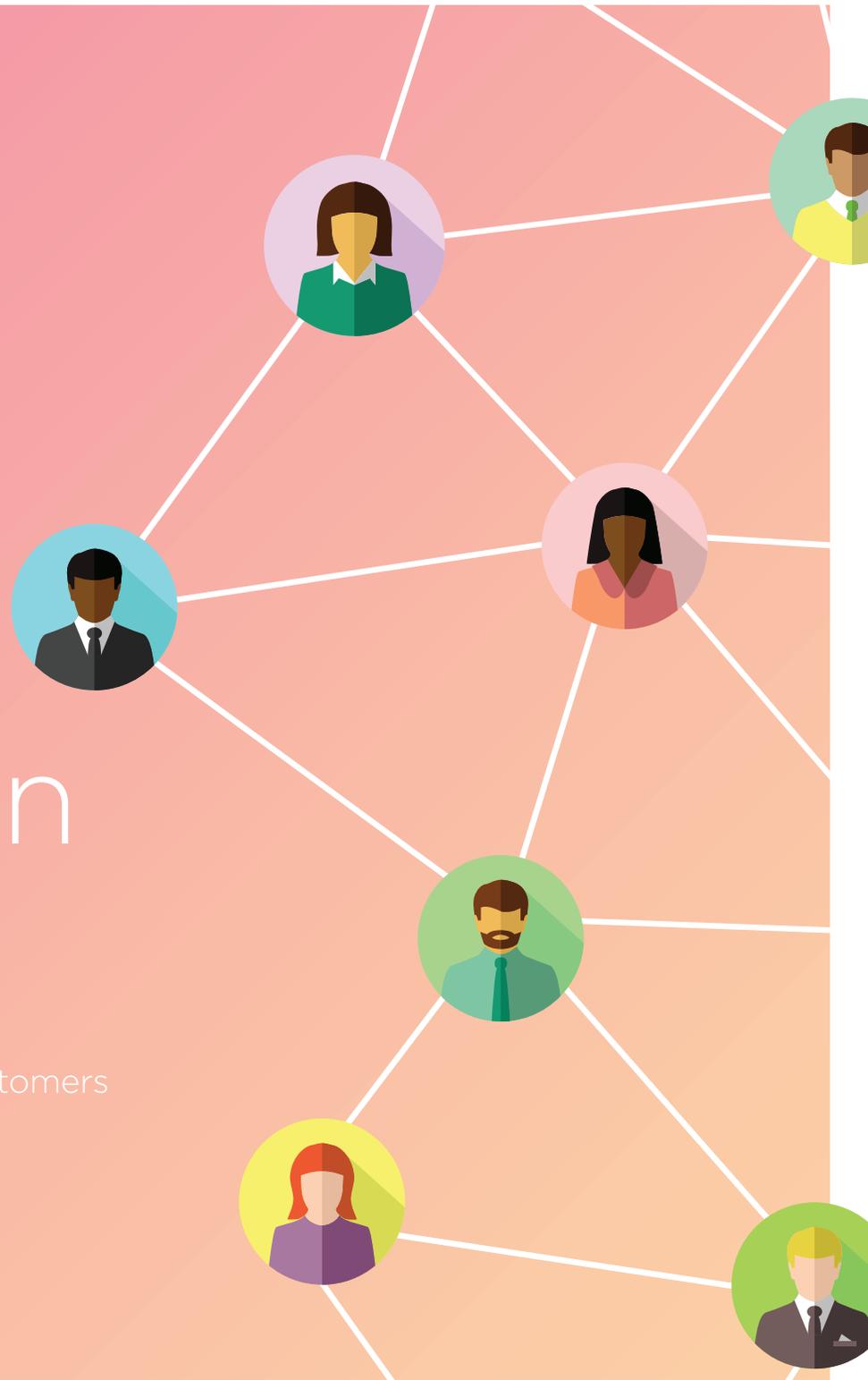


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Personalization at Scale

Marketing tactics to acquire and engage the **right** customers

US Market



OVERVIEW

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

Product suggestions need to be hyper-relevant to the customer's individual needs. Communication and messaging need to 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 can do so at scale. Businesses 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.

The impact of Cambridge Analytica and the general sentiment around data privacy have also made it a challenge for companies to collect, store, and use personal data. And while the General Data Protection Regulation was implemented in the EU, other countries like the US are looking to enact something similar.

In this report, Hitwise shows that these recent factors haven't made it harder to build personalized marketing. Rather, companies have an opportunity to re-invigorate their tactics.

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For over twenty years, Hitwise has been a leading online measurement and audience targeting business.

With our unique digital insights and powerful modeling tools, our clients are able to segment, reach, and activate their prospective customers.



Sample size

8 M+ online panelists
3.5 M+ mobile devices



Data depth

500 M keywords
60 K audience characteristics



Data frequency

Hourly insights
to yearly trends

WHAT'S INSIDE

We detail tactics across key stages of the customer's journey:

CHAPTER ONE

Acquisition at Scale

Pinpointing the needs and motivations of your prospective customers

CHAPTER TWO

Conversion Optimization

Utilizing 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 beauty brand like Ulta, where a core segment is female millennials.

Through search, we can identify their current beauty needs and variations by ethnicity. In the four weeks to mid-August, Caucasians searched for face highlighters and blonde mascara, Asians looked for brow pencils, and African Americans searched for conditioning gels and unicorn lipsticks.

With these insights, Ulta could promote content around specific product searches. This could include a YouTube video on "Brow and Eyeliner Tutorial for Asian Eyes", or an Instagram post on "Best Unicorn Lipstick Looks" to attract these varying segments.

Top Beauty Searches for 18-24 Female Segments

Caucasian

- 1 Face Highlighter
- 2 Blonde Mascara
- 3 Mineral Concealer Brush
- 4 Anti-aging Eye Cream
- 5 Long Lasting Foundation

Asian

- 1 Midnight recovery concentrate
- 2 Brow pencil
- 3 Megacushion Foundation
- 4 Opulence Highlighter
- 5 Supercat eyeliner

African American

- 1 Condition and strengthen gel
- 2 Essential oils for eyes
- 3 Hair rollers
- 4 Unicorn lipstick
- 5 CC Cream

MONITOR COMPETITOR MOVEMENTS - LARGE OR SMALL

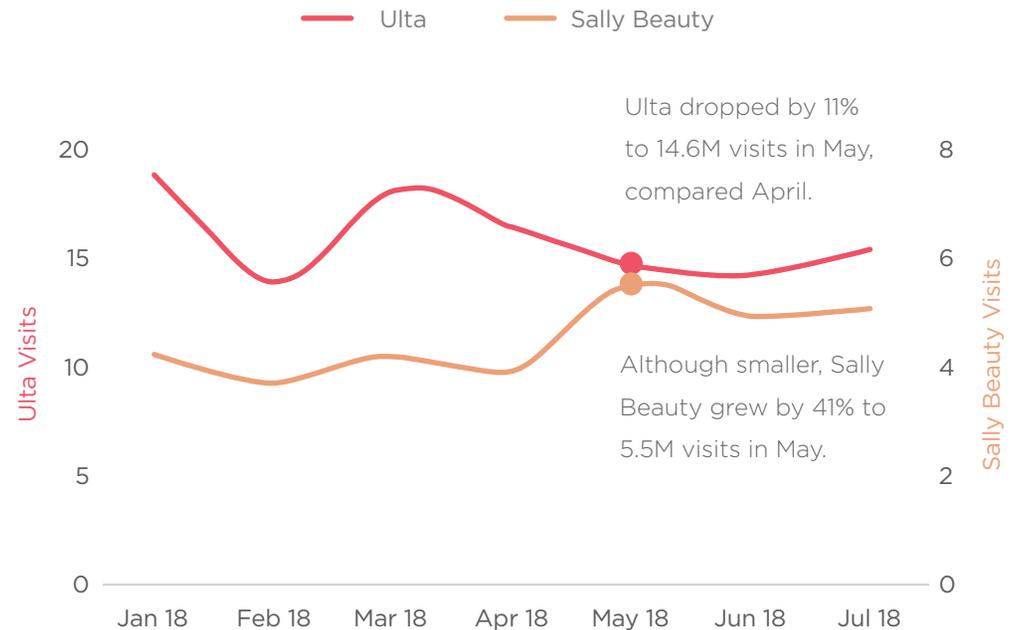
Another way to find new customers is to look at your competition.

Ulta has seen a slight decline in traffic since the start of the year. Online visits in the three months to July were 9% lower than the three months to April.

Although smaller in scale, Sally Beauty has seen a surge over this period. Visits in the three months to July were 31% higher than the previous period.

Ulta would then want to know what has driven Sally Beauty's growth.

Ulta Beauty vs. Sally Beauty
Total Monthly Visits (in millions)



USE SEARCH TO IDENTIFY WHY COMPETITORS HAVE GROWN

Ulta can determine what drove Sally Beauty's rise and compare this against their own product ranges. The below chart details this through new search terms that Sally Beauty received in the three months to July.

As a competitor acquisition tactic, Ulta could up their PPC or place promotions on products that they stock, such as "blonde semi permanent" and "root cover up". Ulta could also look to incorporate products they do not stock, such as "straightener hair lotion" and "mild relaxer", or brands like "Milk & Olive Oil" and "Body Drench".

New Search Terms to Sally Beauty - Compared to Last Quarter

Products Ulta Does Stock

Searches to Sally Beauty	Search Share
Blonde Semi Permanent Hair Color	0.10%
Quick Dry Top Coat	0.05%
L'oreal Magic Root Cover Up	0.05%
Permanent Teal Hair Dye	0.03%
Elongating Cream	0.03%

For quick wins, Ulta Beauty can bid on search terms or place promotions on products that are trending on Sally Beauty.

Products Ulta Does Not Stock

Searches to Sally Beauty	Search Share
Straightener Hair Lotion	0.11%
Milk & Olive Oil Conditioner	0.11%
Nail Life Nail Revitalizer	0.04%
Mild Relaxer	0.03%
Body Drench Quick Tan	0.02%

Ulta Beauty can also identify products that they currently don't stock and look to include these in their portfolio.

ACTION STEPS: Search is one of the best digital indicators for customer intent. Search data can be used to understand the interests and needs of your set segments, or help to acquire the audiences of your competitors.



CHAPTER TWO

Conversion Optimization

Utilizing competitive and audience intelligence to convert more customers

TRACK YOUR CONVERSION VS. THE COMPETITION

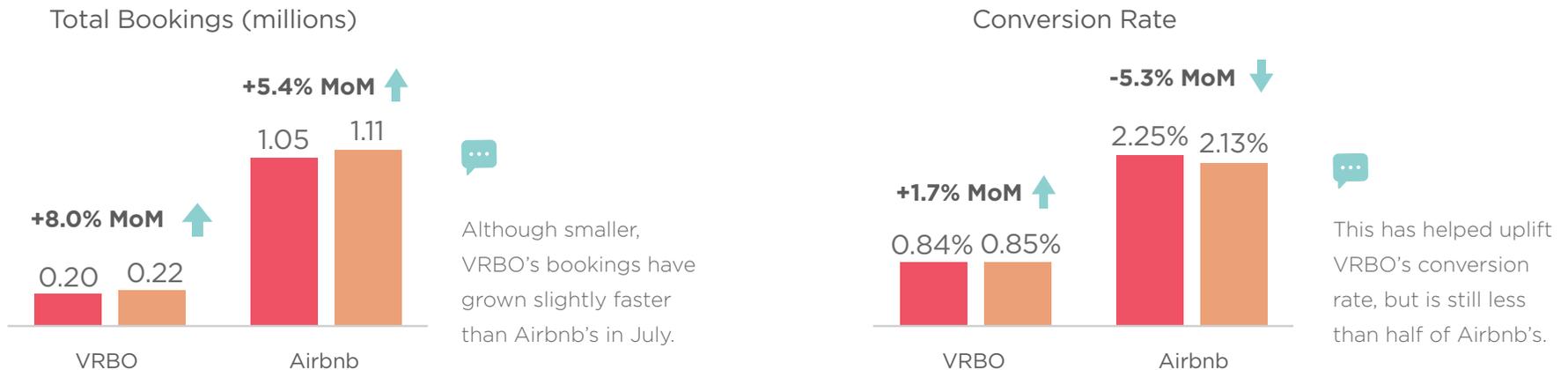
Let's look at an example for leading travel rental companies, VRBO and Airbnb, and compare their conversion rates.

Both players saw a seasonal rise in July, with bookings growing by 5.4% for Airbnb and 8.0% for VRBO. Looking at conversion rates, Airbnb's rate slightly declined compared to VRBO for that month; however, Airbnb's conversion rate was still over twice the size of VRBO's.

So, what can VRBO do to capitalize on their seasonal rise, and convert more visitors to book?

Airbnb vs. VRBO - Monthly Bookings and Conversion Rates

■ June 2018 ■ July 2018



UNDERSTAND WHERE ELSE YOUR NON-BOOKERS GO

4.2 million Americans visited VRBO in July but didn't book.

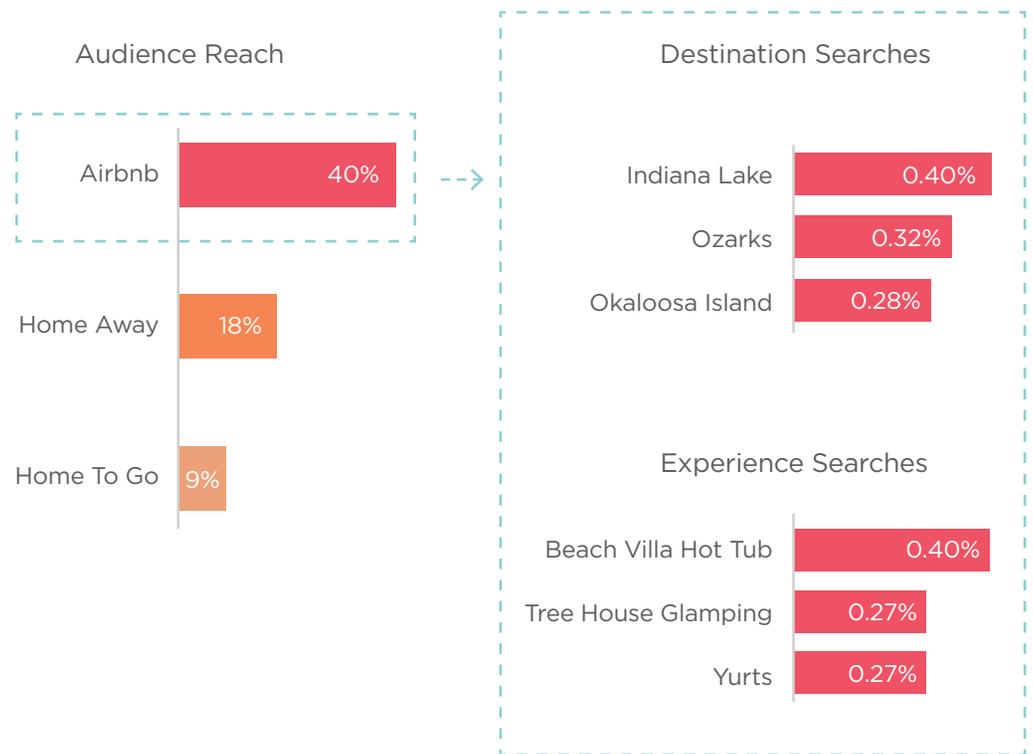
40% of VRBO's non-bookers also checked out Airbnb's site, which was an equivalent of 1.7 million VRBO non-bookers.

To understand why, VRBO could identify the destinations and experiences that their non-bookers were searching for on Airbnb.

These included holiday spots like Indiana Lake, Ozarks, and Okaloosa Island, as well as experiences like villas, glamping, and yurts.

As a quick response, VRBO could then re-target their non-bookers through counter offers and deals on these locations and experiences.

VRBO Non-Bookers Audience Reach and Searches to Other Rentals



GET TO KNOW YOUR NON-BOOKERS

VRBO could also profile their non-bookers to understand what makes them tick.

Over July, we can see that VRBO's non-bookers were affluent and close to retirement age. They resided in key DMAs like Atlanta, Denver, and Minneapolis. They were into their food, and are environmental- and health-conscious.

To draw their non-bookers back, VRBO could look to promote accommodation options linked to these interest areas. For instance, VRBO could place deals on holiday spots that are easily accessible from Atlanta. These spots could also surround nature or are well-known for their food culture.

VRBO Non-Bookers - Audience Profile

Who are they?

20%

more likely to be **55-64 yo**

26%

more likely to have **HHI of \$100K+**

9%

more likely to be **married**

Where are they from?

31%

more likely to reside in **Atlanta, GA**

24%

more likely to reside in **Denver, CO**

13%

more likely to reside in **Minneapolis St Paul, MN**

What are their interests?

20%

more likely to be **True Foodies**

28%

more likely to be **Healthy Holistics**

13%

more likely to be **Think Greens**

ACTION STEPS: Competitive and audience data puts conversion rates into perspective. Search terms aimed at your competitors can be used for quick response tactics. Profiling can also support win-back initiatives.



CHAPTER THREE

Growing Lifetime Value

Identify upselling and partnership opportunities

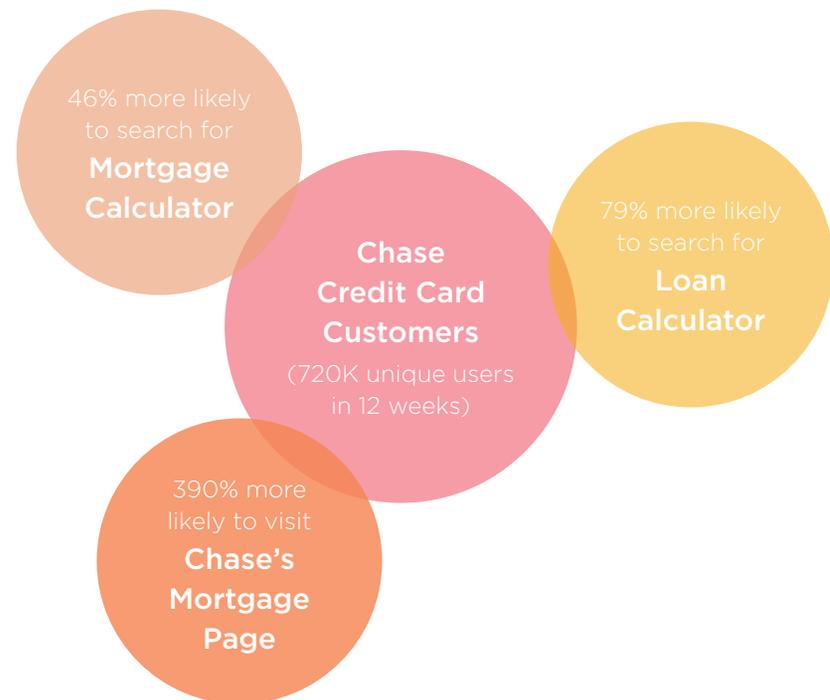
IDENTIFY YOUR CUSTOMERS' OTHER INTERESTS

Chase's recent credit card customers (defined as having submitted an online credit card application in the past 12 weeks) were also interested in other financial products.

Compared to the general online population, these customers were more likely to search for "loan calculators" and "mortgage calculators".

They were also 4 times more likely to check out Chase's Mortgages Page.

Chase Bank – Credit Card Customers Search and Visit Behaviors



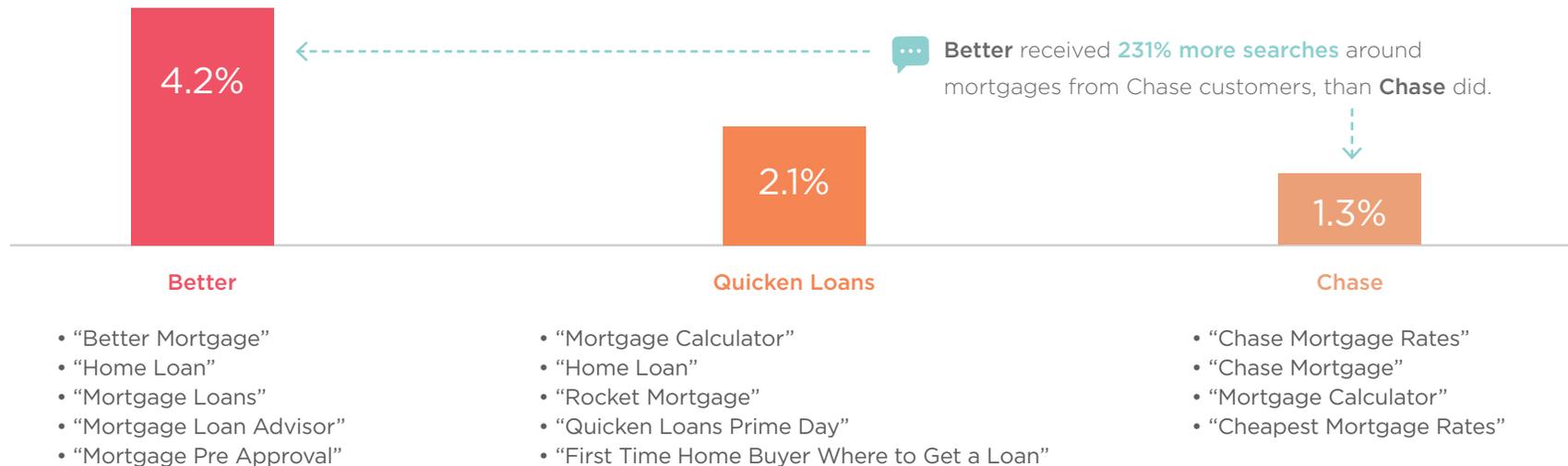
DIG DEEPER INTO YOUR CUSTOMERS' OTHER INTERESTS

To capitalize, Chase could investigate what other lenders their customers are visiting, and why.

In the below chart, we can see that competitor lenders like Better and Quicken Loans received higher volumes of mortgage-related searches from Chase customers. Their customers searched for loan advice and pre-approvals at Better, and looked for calculators and first home buying advice at Quicken Loans.

Chase could then respond by targeting messaging to their existing credit card customers. This may include an email to existing customers on mortgage advice, such as a how-to guide for first time home buyers.

Chase Bank Credit Card Customers - Mortgage-Related Searches to Lenders



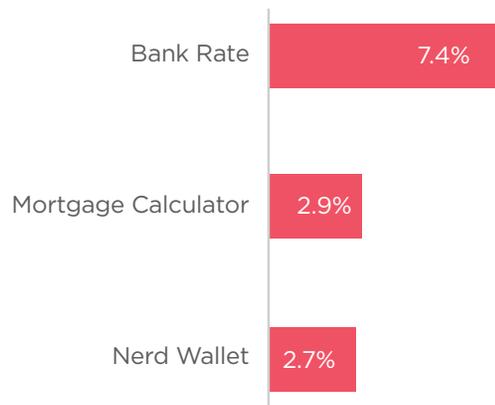
IDENTIFY PARTNERSHIP OPPORTUNITIES

Chase could develop partnership opportunities by looking at websites their customers visited.

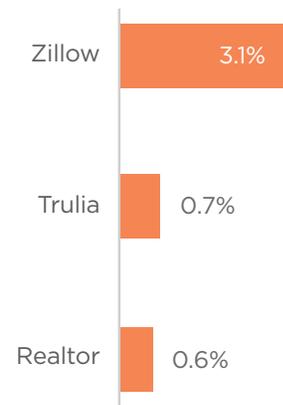
Chase's Credit Card Customers sought mortgage advice on price comparison sites, property sites, and financial publishers. To strengthen their mortgage proposition to existing (and also new customers), Chase could potentially partner with real estate sites like Zillow, or speak to the Mortgage Report or Investopedia about featuring articles on their mortgage products.

Chase Bank Credit Card Customers - Share from Mortgage-related Searches: Finance Sites

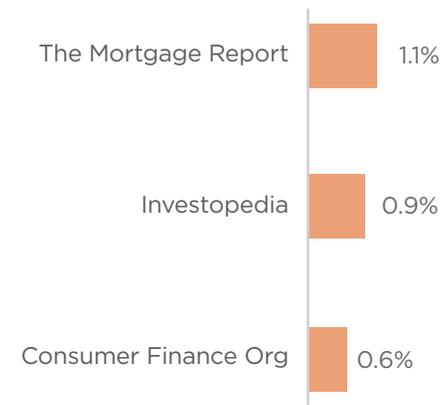
Rates & Calculators



Real Estate Sites



Publishers



ACTION STEPS: Competitive data can support your efforts to grow your customers' lifetime value. Identify what else your customers are interested in through digital points, and why, through search. Understand where else they spend their time online for partnership opportunities.

KEY TAKEAWAYS

Very few companies have been able to achieve true personalization with their customers, and do so at scale. But there are marketing tactics that companies can utilize 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 into short term and long term tactics, to convert more customers.



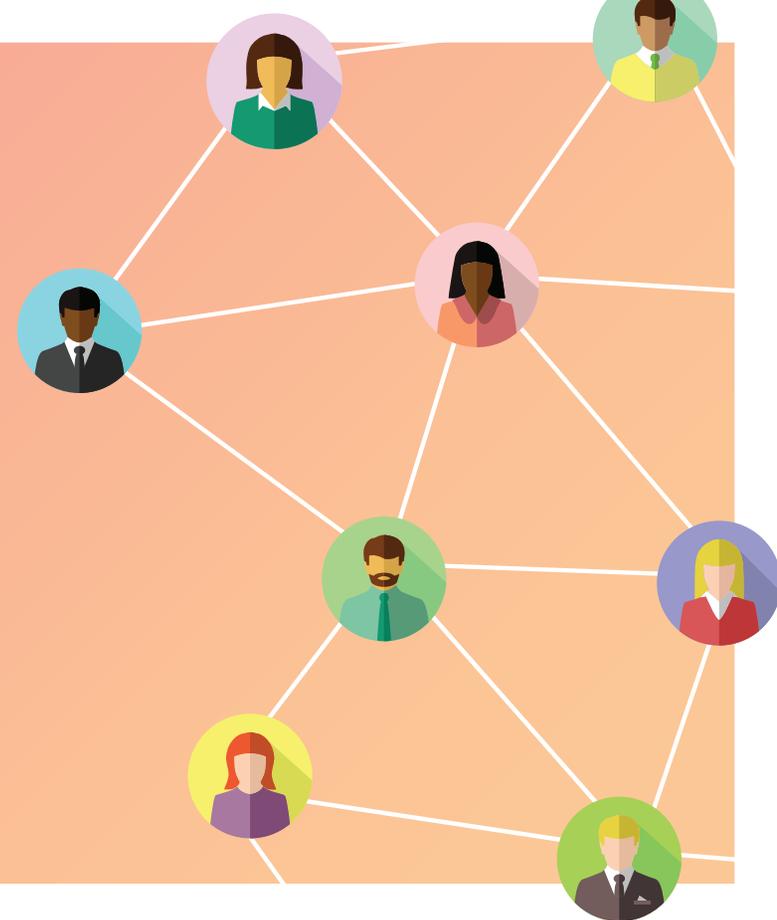
3. Growing Lifetime Value: Using online behavior, such as visits to product pages and other industries, to develop upsell and partnership opportunities.

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

Ready to get Personalized?

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

FIND OUT HOW



METHODOLOGY

Chapter 1

Page 4: Hitwise. Audience = 18-24 yo Females by ethnicity. Searches to Health & Beauty Industry. Period = 4 weeks to August 18, 2018.

Page 5: Hitwise, Online monthly visits to Sally Beauty & Ulta Beauty.

Page 6: Hitwise. Search terms going to Sally Beauty. Period = 12 weeks to July 28th, 2018 vs. 12 weeks to April 28th, 2018.

Chapter 2

Page 7: Hitwise, Bookings and Conversion Rates on Airbnb and VRBO.

Page 8-9: Hitwise, Audience = Visited VRBO's site, did not make a booking confirmation. Period = 4 weeks to July 28, 2018.

Chapter 3

Page 10: Hitwise, Audience = Completed Chase Credit Card Application. Search clicks to Business & Finance sites. Period = 12 weeks to August 25, 2018.

Page 11: Hitwise, Audience = Completed Chase Credit Card Application. Downstream share from top 1000 searches including the term "mortgage". Period = 12 weeks to August 25, 2018.

Page 12: Hitwise, Audience = Completed Chase Credit Card Application. Period = 12 weeks to August 25, 2018.