



Home Is Where the Heart Is: Shoppers Who Will Upgrade Your Home Improvement Sales

{A MaxPoint Interest Index}

People care deeply about their homes, and they spend accordingly. A 2013 J.D. Power report found that customers spend an average of \$1,626 per year on home improvement.¹ That means that for every new customer a home improvement retailer gains, there's significant opportunity for sales.

To help home improvement advertisers target customers more effectively, MaxPoint used its proprietary Digital Zip[®] technology to discover the most lucrative markets for this category. In the process, we discovered two distinct types of customers—renovators and decorators. The following report shares our findings.

Top Cities for Home Improvement

We started by identifying the cities with the top neighborhoods for home improvers:

1. Dallas, TX
2. Cheyenne, WY
3. Austin, TX
4. Santa Barbara, CA
5. San Diego, CA
6. Baltimore, MD
7. Denver, CO
8. Casper, WY
9. Rapid City, SD
10. Reno, NV

Each city on this list includes neighborhoods with households that spend far more than the national average on home improvement. Because of this, advertisers often see the biggest returns on their digital home improvement campaigns in these markets.

Two Key Profiles: Renovators and Decorators

Not all home improvers are the same—some tend to purchase hardware and construction supplies, while others spend their cash on furnishings and decorations.

Renovators, for example, spend their money at home improvement and hardware stores, which frequently stock tools, paint, and plumbing supplies. The renovators tend to:

- Be 45–64 years old
- Make more than \$60,000 per year
- Have college degrees
- Own their homes
- Have kids currently living in their households

Using our proprietary interest data, we found that renovators commonly consume content on business and finance, elderly care, and fashion. Their other major purchases include financial services and insurance.

On the other hand, decorators spend more of their money on beautifying their homes and at home furnishing stores, which frequently sell furniture, home décor, and bedding. The decorators tend to:

- Be more than 45 years old
- Make more than \$100,000 per year
- Have college degrees
- Own their homes

MaxPoint found that the decorators are also interested in content on the economy, golf, and sports. These shoppers frequently purchase products at shoe stores and specialty apparel stores (often high-end boutiques).

These groups had a lot in common as well. We found that both groups tend to purchase goods at general merchandise stores, consumer electronics and appliances stores, department stores, family apparel stores, music and video stores, and sporting goods stores. Additionally, their ages, education levels, and home ownership levels were similar. However, key differences remain in their interests, income level, and some of their other purchases. This demonstrates the importance of going beyond demographic data to find and target your ideal shoppers.

A Closer Look at Dallas

Knowing who your customers are—whether they are renovators or decorators—is just as important as knowing where to find them. To prove that point, we zoomed in on Dallas to find the top neighborhoods for each type of home improver. Not surprisingly, renovators and decorators can be found in different Dallas-area neighborhoods.

Renovators live in the following neighborhoods:

- Casa View Heights
- Country Forest
- Lake Park Estates
- Moss Meadows
- Whispering Hills

But when it comes to decorators, the following neighborhoods top the charts:

- Devonshire

- Junius Heights
- Oak Lawn
- Ridgewood Park
- White Rock Valley

Many of these neighborhoods are close together, which further underscores the importance of targeting at the precise neighborhood level rather than running ads in broad geographic regions.

What This Means for Advertisers

Armed with this information, home improvement advertisers can make more informed ad buys and placements. By targeting either renovator or decorator neighborhoods, advertisers can maximize their responses while reducing their overall ad waste.

For example, a retailer that sells bedding should focus its ad buys on decorators. If the retailer targets Dallas, it should advertise to residents of Oak Lawn, Devonshire, and White Rock Valley, while skipping the neighborhoods on the renovator list. This neighborhood-level targeting will keep responses high and ad waste low.

MaxPoint in Action

Using the data from this Interest Index, we ran several digital advertising campaigns for companies targeting renovators or decorators:

Carpet Tile Retailer—A carpet tile retailer wanted to boost sales by driving more customers to its physical stores. To help, MaxPoint targeted households located around the retailer that included shoppers aged 25–54 with household incomes above \$100,000 per year and strong interest in home décor. The campaign resulted in a CTR that was 22% above the industry average.²

North American Home Improvement Retailer—A major home improvement retailer wanted to build awareness of its products and drive more foot traffic through its doors. The retailer decided to run different advertisements to DIYers and decorators depending on the season, and targeted adults ages 45–64. Additionally, as the holiday season approached, the retailer shifted its creative to focus on holiday shopping. The campaign resulted in a CTR that was 2.4 times higher than the industry average.

National Home Furnishings Retailer—A major home furnishings retailer wanted to build awareness and drive in-store traffic to several of its underperforming urban stores. The campaign resulted in a CTR that was above the industry average.

To get even more insights about renovators and decorators, see our infographic below, which includes a breakdown of home improvement spending at the state level as well as the top neighborhoods in Dallas.

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1. <http://www.jdpower.com/content/press-release/ye6zVLS/2013-home-improvement-retailer-satisfaction-study.htm>
 2. Based on an industry average estimate of 0.09%

SHOPPERS WHO WILL UPGRADE YOUR HOME IMPROVEMENT SALES



RENOVATORS

Spend on home improvement such as tools and building supplies



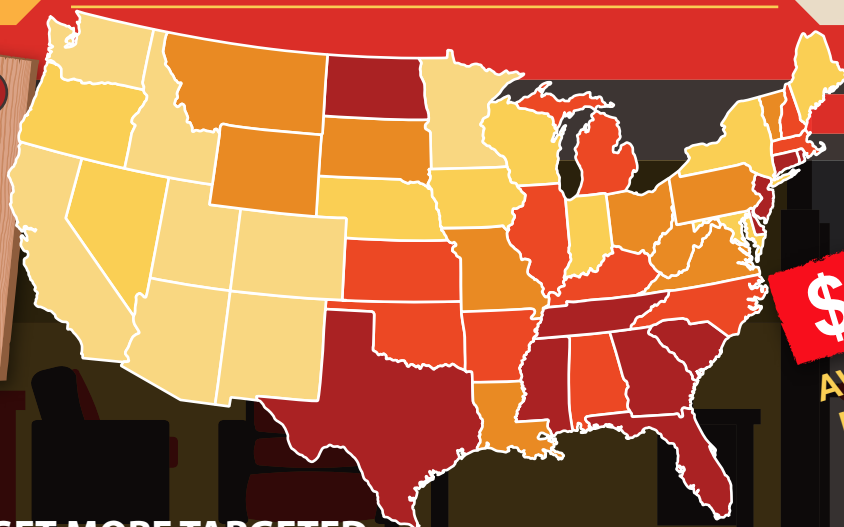
DECORATORS

Spend on home furnishings such as furniture and decorations



HOME FURNISHINGS
\$30 BILLION INDUSTRY¹

HOME IMPROVEMENT
\$145 BILLION INDUSTRY¹



\$1,626
AVERAGE HOME
IMPROVEMENT
SPEND PER
CUSTOMER²

IT PAYS TO GET MORE TARGETED

THE MOST INTERESTED CITIES ARE SOMETIMES IN THE LEAST INTERESTED STATES.

TOP 10 CITIES

WITH NEIGHBORHOODS FOR HOME IMPROVEMENT

- | | |
|---------------------|------------------|
| 1 DALLAS, TX | 6 BALTIMORE, MD |
| 2 CHEYENNE, WY | 7 DENVER, CO |
| 3 AUSTIN, TX | 8 CASPER, WY |
| 4 SANTA BARBARA, CA | 9 RAPID CITY, SD |
| 5 SAN DIEGO, CA | 10 RENO, NV |

NEIGHBORHOODS IN DALLAS

RENOVATORS

- CASA VIEW HEIGHTS
- COUNTRY FOREST
- MOSS MEADOWS
- WHISPERING HILLS

DECORATORS

- DEVONSHIRE
- JUNIUS HEIGHTS
- RIDGEWOOD PARK
- WHITE ROCK VALLEY

RENOVATORS

PROFILE

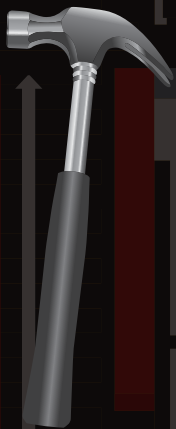
- Income: \$60,000+
- Age: 45-64
- Education: college+
- Homeowners
- Kids in household

INTERESTS

- Business and finance
- Elderly care
- Fashion

UNIQUE TOP PURCHASES

- Insurance
- Financial services



DECORATORS

PROFILE

- Income: \$100,000+
- Age: 45+
- Education: college+
- Homeowners

INTERESTS

- Economy
- Golf
- Sports

UNIQUE TOP PURCHASES

- Specialty apparel stores
- Shoe stores

