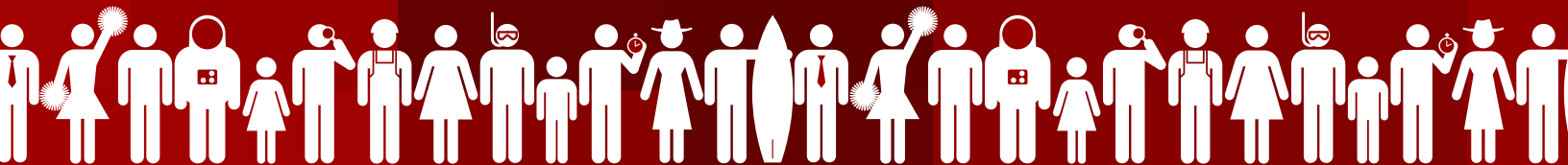


Finding Your Audience



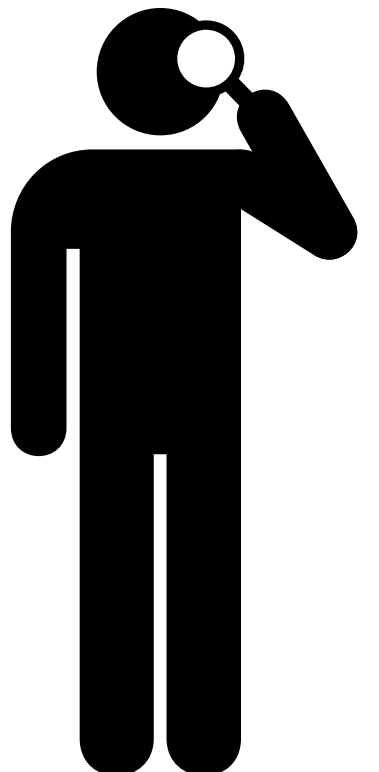
Finding Your Audience

When the movie “Minority Report” was released in 2002, it was pure Hollywood that depicted a world where personalized screens would follow a shopper’s every move—whether walking through a mall or entering the local Gap store. Fast-forward 10 years and this world of personalized screens is actually a reality driven by the sheer number of mobile devices consumers have access to today. This “ubiquity of screens” combined with the untethering of shopping from physical stores, has created a highly fragmented marketplace making it a greater challenge for brands to engage with consumers in the right context. However, with change comes opportunity. The smartest brands are shifting their media investments to be in direct alignment with the actions of the consumer by leveraging new and unique marketing channels that directly intersect with the path to purchase. A newer form of digital marketing, Shopping Media, is emerging as a powerful tool for brands to find their target market when and where it matters most on the path to purchase.

According to Cisco’s VNI, the number of mobile-connected devices will exceed the number of people on Earth by the end of 2012.¹ This is not hard to imagine when you look around your own home and count the number of screens that exist—it’s double what it was five years ago. The ubiquity of “screens” means there are that many more channels for consumers to “surf” when interacting with brands. A consumer’s shopping mode can be turned on at any moment, not just when they’re in the store or watching TV, but when they see something that piques their interest (think of the rapid rise of Pinterest) and want to explore or buy at that exact moment.

Once marketers have accepted this new reality of the path to purchase, it’s time to dig into understanding the right tools for defining, finding and reaching the right consumer at the right time in the right context.

¹ Cisco VNI Global Mobile Data Traffic Forecast Update 2012



WHO is Your Audience: Defining “Who” Matters

Given this complex environment, how do you define a target consumer for purchasing your product? Since we’re all in this to make money, your audience can easily be defined as anyone that meets the following criteria:

1. Those who *might buy* your product
2. Those who *have purchased* your product and need reinforcement of their purchase
3. Those who can *influence others* to buy your product

The methods that exist today to effectively target consumers lack the basic capability to actually meet these criteria. By way of example, consider where brands spend a significant amount of their digital marketing dollars on entertainment portals. When a consumer is visiting an entertainment site, no one really knows when a consumer is in the market for a particular product. Even with third party intent data, it’s tough to do this accurately, and within a relevant time frame of when said consumer showed interest in a particular product. Most third party data is only available long after the intent was manifested. That means the “best” thing you can do on a content site such as an entertainment one is to make a large ad buy and *hope* that enough of your target consumers just happen to see your brand at a point when it is relevant to their current shopping mindset. This is the very essence of wasted impressions.

Google and other search engines have found a way to insert themselves at the top level of “intent” within the shopping funnel. However, paid search is only one of the starting points of the purchase process, and consumers don’t always use search as their main source of navigation. We see more and more that consumers are now going directly to retail sites as it pertains to shopping research for both online and offline purchases. In fact, nearly half of in-store purchases today are influenced by online research (source: Google & IPSOS OTX, September 2010).

If you don’t have a magic wand or research team that can help you define your target audience with the criteria above, then let the market define it for you. Your retail partners are the easiest source for helping you define “who” your target audience should be.



WHERE is Your Audience: “Where” Do They Begin Their Path to Purchase?

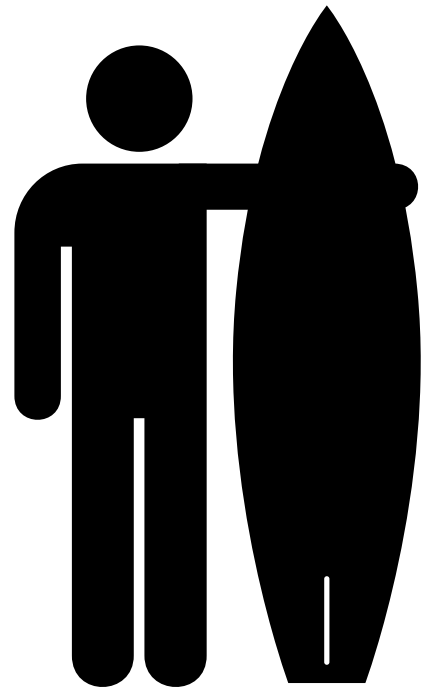
Once you’ve defined your target audience, you’ll have to target the right impressions that capture the greatest value. Now, you could continue to buy ads on unrelated content sites or blind ad networks at low CPM, but are you truly getting your money’s worth? The path of least resistance and the one that delivers the highest value creation is advertising directly on retail websites.

The best part about targeting audiences on retail sites is that they’re “self-selecting.” You no longer have to make ad buys on content sites and guess which impressions actually matter. If someone is shopping in the baby category on a retail site, it’s pretty obvious that this is a powerful opportunity for related brands to own the “mommy” audience. There’s no “spray and pray” strategy involved here—it’s highly targeted and richly contextual. Media buying has never been more precise.

Buying context of your brand in a retail site’s related category is table stakes. Many brand advertisers are pushing the envelope in Shopping Media by not only targeting “brand category” ad impressions, but ensuring they own the non-category specific, but highly complimentary ad impressions for their audience, which may not seem as obvious at first. This is known as “co-occurrence” targeting. In other words, where else does your audience shop on retail sites when they’re not shopping your category? A great example would be: Moms don’t only shop for their kids, they shop in women’s clothing, too.

A common market example of co-occurrence data is the age-old adage that men always buy beer when they’re sent to the store for diapers. The same applies for your brand. You’d be surprised about the additional ad impressions that apply to your target audience, and what other categories your consumers regularly visit on retail sites. Don’t think of consumers as those who only buy YOUR product. They also spend plenty of time shopping in other categories. The data generated by co-occurrence targeting can also lead to some incredible insights about potential consumers (and offline promotions to target those consumers) that you didn’t know existed.

Another way to push the envelope in Shopping Media is to consider adjacencies of complementary categories. Imagine an oral care manufacturer promoting its products in the candy aisle



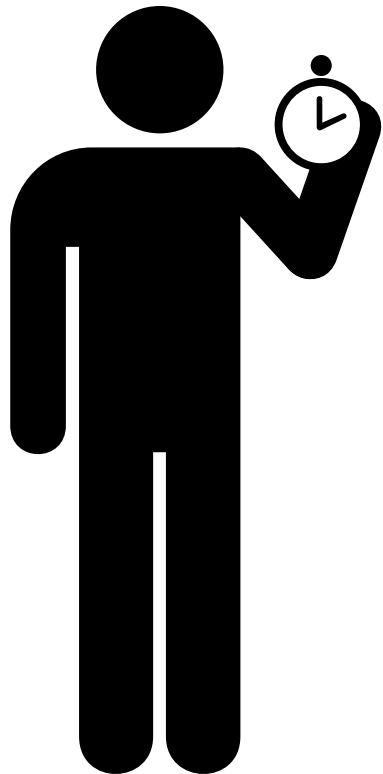
or an insect repellent manufacturer appearing in the outdoor/camping aisles of Target or Sears. The possibilities to create adjacencies in the online environment that may not be possible in the physical retail environment are significant for brands looking to target like-minded consumers with relevant products.

WHEN to Reach Your Audience: Timing is Everything

Beyond owning impressions in your brand's category, the "when" of targeting your audience should be obvious for most. It's about attacking the points of intent within retail. Some of the most obvious signals of intent within retail would be the following:

1. Consumer visits to your brand's product pages (or your competitor)
2. Searches for phrases or keywords that represent your brand, competitor, or related products
3. Add-to-cart impressions; capturing consumers that "want" to buy your product
4. Impressions that can capture consumers with previous session behavior of any of the above

If you've mastered the items above, sometimes reaching your audience right after they've left a retail site is still a prime time to reach your consumers. Some are in the middle of planning their offline shopping trips and remain in the shopping research mode. Visiting an online retailer is a fantastic signal, but don't be afraid to take your audience with you, if possible. Audience targeting within Shopping Media is both current and past. Remember, recency of intent and speed are king.



HOW to reach your audience

Once you've defined your audience and determined both where and when to reach them, it's time to define the method to have the largest impact on your audience. However, if you don't have the right vehicle for execution, then the previous efforts for targeting your audience are pointless. Let's be clear and to the point: Retail ad servers matter. If you want to ensure the highest ROI for your investment in Shopping Media, you'll have to be confident you are partnering with someone who has an ad server that understands retail. Sure there are plenty of ad servers out there that can handle gigantic ad volume, but very few have been built solely for retail.

When leveraging Shopping Media to its fullest potential, you should be able to do things like "target my ads to anyone that has put my products in their shopping cart" or "buy all impressions for people that have purchased my products in the last 30 days." To be blunt, no other ad servers in the market (besides RichRelevance) have been built to capture these opportunities. At RichRelevance, our core value is personalizing the customer experience throughout the shopping cycle, and without that understanding, it would be impossible to infer advertising relevance for consumers in this environment.

Retailers leverage our ad-serving platform because it harmonizes with their goal of driving conversion and creating high life-time value consumers. It is a beautiful marriage of retail and brand objectives. Some common pitfalls of non-retail ad servers would be that none of them can create opportunities for relevant ads on pages with high volume within online retail. A great example is a home page of a retail website. An ad server not built for retail would have no means to take a user's previous session behavior and match that with your brand messaging and intent.

Another pitfall of current industry ad servers is the inability to integrate personalization and retailer promotions within an ad campaign. No current solutions can dynamically inject product recommendations within ad units while still taking existing retailer trade programs and site promotions into account. This also leads to one of the largest benefits of Shopping Media, which centers around measuring the success of your campaign beyond stale industry metrics.



In closing

No matter how much technology changes advertising (i.e. “Minority Report”), one thing is certain: It’s always best to engage consumers while they are shopping and researching products. The vehicles (mobile, social, flash sales, etc.) may change but research and product exploration will always happen. As long as there’s e-commerce, Shopping Media will always be the most powerful vehicle to target your preferred audience.



RichRelevance delivers over 850 million product recommendations daily, powering the personalized shopping experiences for consumers shopping the world’s largest and most innovative retail brands like Walmart, Sears, Target, Marks & Spencer and John Lewis. Founded and led by the e-commerce expert who helped pioneer personalization at Amazon.com, RichRelevance helps retailers increase sales and customer engagement by recommending the most relevant products to consumers regardless of the channel they are shopping. RichRelevance has delivered more than \$5.5 billion in attributable sales for its retail clients to date, and is accelerating these results with the introduction of a new form of digital advertising called Shopping Media which allows brands to engage consumers where it matters most—in the digital aisles on the largest retail sites in world. RichRelevance is headquartered in San Francisco, with offices in New York, Seattle, Boston and London.

For more information, please visit www.richrelevance.com.

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