

Acxiom audience segmentation as a platform for growth

ACXIOM

| *Scotts Miracle-Gro*

| M E D / A H U B



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Customer & context

Scotts Miracle-Gro

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Customer bio: ScottsMiracle-Gro

ScottsMiracle-Gro is a leading provider of lawn care and gardening products for consumers and professionals in North America, Europe, and Asia. With a history that spans over 150 years, the company is known for its innovative products and services, including fertilizers, soils, plant food, and grass seed.

ScottsMiracle-Gro is the world's largest marketer of branded consumer lawn and garden products and employs more than 6,000 associates*. Headquartered in Marysville, Ohio, the company operates through three main business segments: the U.S. Consumer segment, which sells products through major retailers; the Hawthorne segment, which focuses on hydroponic and indoor gardening products; and the 'Other' segment, which sells products outside of the U.S.

The company is recognized for its corporate responsibility initiatives, including its commitment to reducing waste and improving the sustainability of its products and supply chain.

*Source: The Scotts Miracle-Gro Company 2022 Annual Report



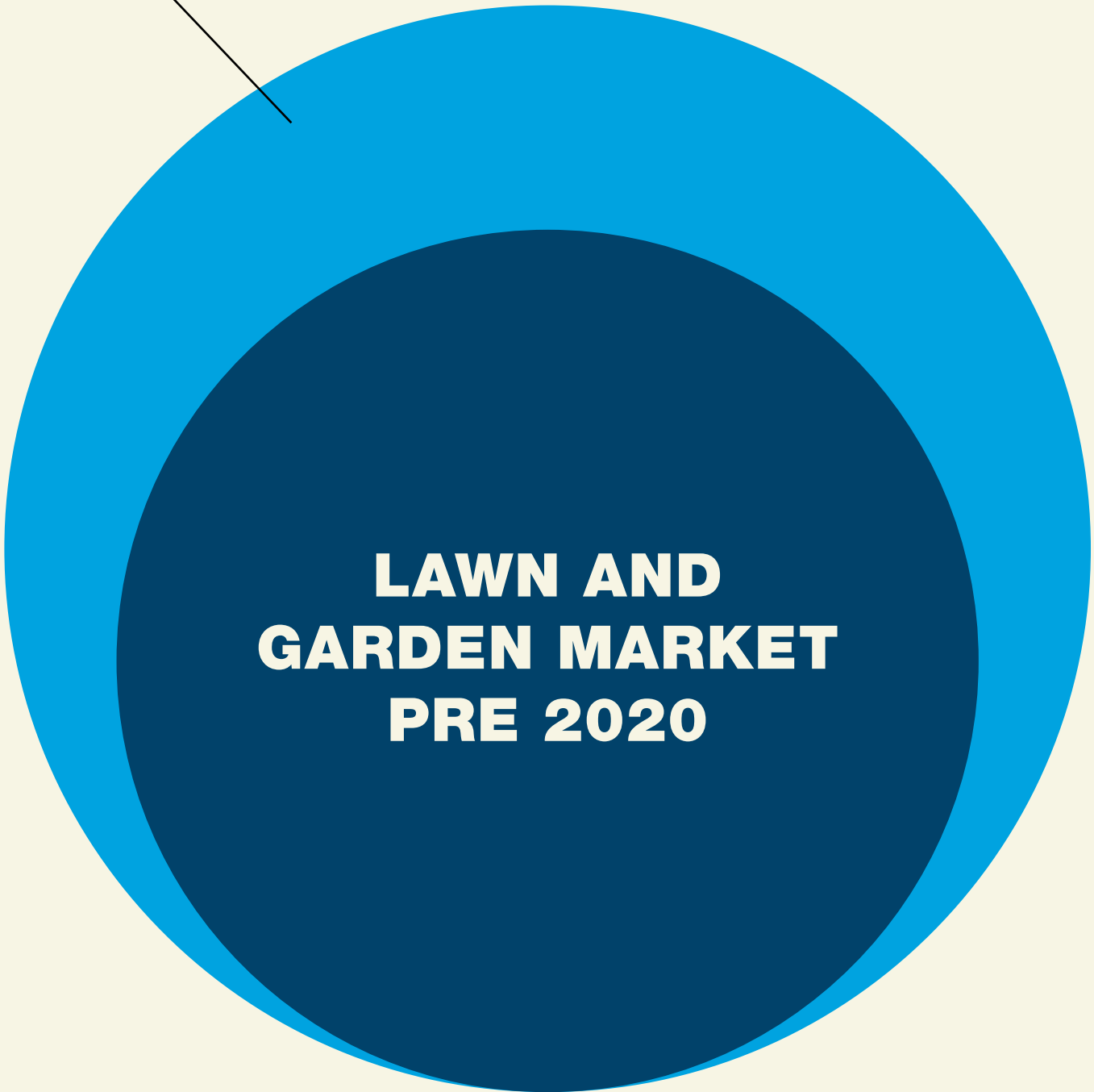
A surge in new customers

After 2020 and the onset of the COVID-19 pandemic, the lawn and garden shopping category saw a huge growth surge. In fact, sales revenue from US lawn and garden products grew an enormous 17.7% in 2020*.

With much of the population compelled to stay at home, many people invested in their outdoor living spaces. In 2020 alone, 20–30 million new consumers entered the lawn and garden shopping category. As leader in this category, ScottsMiracle-Gro (SMG) attracted millions of new customers – many from outside of its typical base.

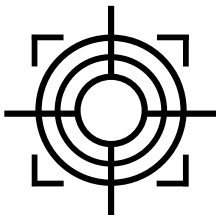
*Source: Statista

17.7% market growth post 2020



Three CPG challenges to overcome

When it comes to engaging and retaining customers successfully, many CPG (consumer packaged goods) brands such as ScottsMiracle-Gro, face three significant challenges:



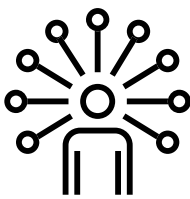
1. Narrow margins

CPG brands operate extremely lean businesses with tight margins. Consequently there's limited scope / budget for broad 'test and learn' audience persona development to find and reach the right markets or to test messaging efficacy for traditional and new segments.



2. Customer churn

Consumers have a huge range of online options from whom to buy.



3. Limited customer data

Selling its products primarily through big-box home stores limits SMG's ability to build a 1-2-1 relationship with customers through first-party data.



Key takeaway

Lack of first-party data can leave brands struggling to understand their customers' needs or preferences. Overcoming these challenges requires a team approach utilizing media mix strategy, messaging, and creative to connect with new and emerging markets.



Campaign overview

Scotts Miracle-Gro

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Aims & objectives

As the business moved into 2021, with pandemic lockdowns in the rear-view mirror, ScottsMiracle-Gro wanted to retain the abundance of new customers gained in 2020 and strengthen relationships with existing ones.

The campaign orchestrated by MediaHub, powered by Acxiom data – which ran between March and August 2021 – focused on positioning and awareness, shoring up who SMG was as a brand, who they ought to serve, determining how to deliver more tailored experiences and more contextually relevant creative to build loyalty.



A coordinated approach

Campaign success relied on careful coordination and clear communication between the three main parties involved:

- **ScottsMiracle-Gro:** With MediaHub's guidance SMG built a purpose-built landing page for the campaign.
- **MediaHub:** creative campaign execution and management.
- **Acxiom:** audience segmentation, data analysis, and modeling.

Defining the audience

SMG enlisted the help of MediaHub to create an online panel survey against a representative group of consumers to create two key behavioral segments*:

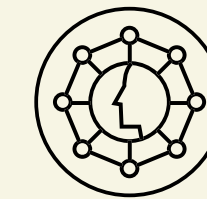
- **Loyalists:** people already using SMG products and loyal to the brand.
- **Switchers:** people using competitor products and not loyal to SMG.

The segments were then scaled using Acxiom's look-alike modeling technology with InfoBase data (see opposite for details about InfoBase).

In addition to the survey-based segmentation, we then created a third segment based on key SMG customer criteria:

- **NSFHOs:** new single-family homeowners (with a yard).

*Survey data provided the target audiences for logistic regression models which were validated via hold-out samples.



What is modeling using Acxiom InfoBase?

Acxiom InfoBase delivers accurate and powerful third-party descriptive and touch point data to nearly all addressable U.S. consumers. This single source provides comprehensive insights with more than 1,500 attributes for U.S. people and households – all while protecting privacy and anonymity. All look-alike models are created and scored using Acxiom InfoBase in a privacy-compliant environment.

Campaign tests and partners

With the campaign model built and high impact audiences identified, MediaHub then split the audience into several test and control cells in order to monitor and validate performance. Additionally, different creative treatments were trialed across the segments – for example the educational creative ‘**Getting Started**’, which targeted less experienced gardeners. Using three leading demand-side platforms (DSPs), MediaHub also built impression cap testing into the campaign (identifying “how many is too many”).

The DSPs used in this campaign, chosen for their reach and breadth of digital inventory, were:

- Teads
- The Trade Desk
- Undertone

By using multiple platforms MediaHub was able to ensure a more balanced understanding of campaign results.

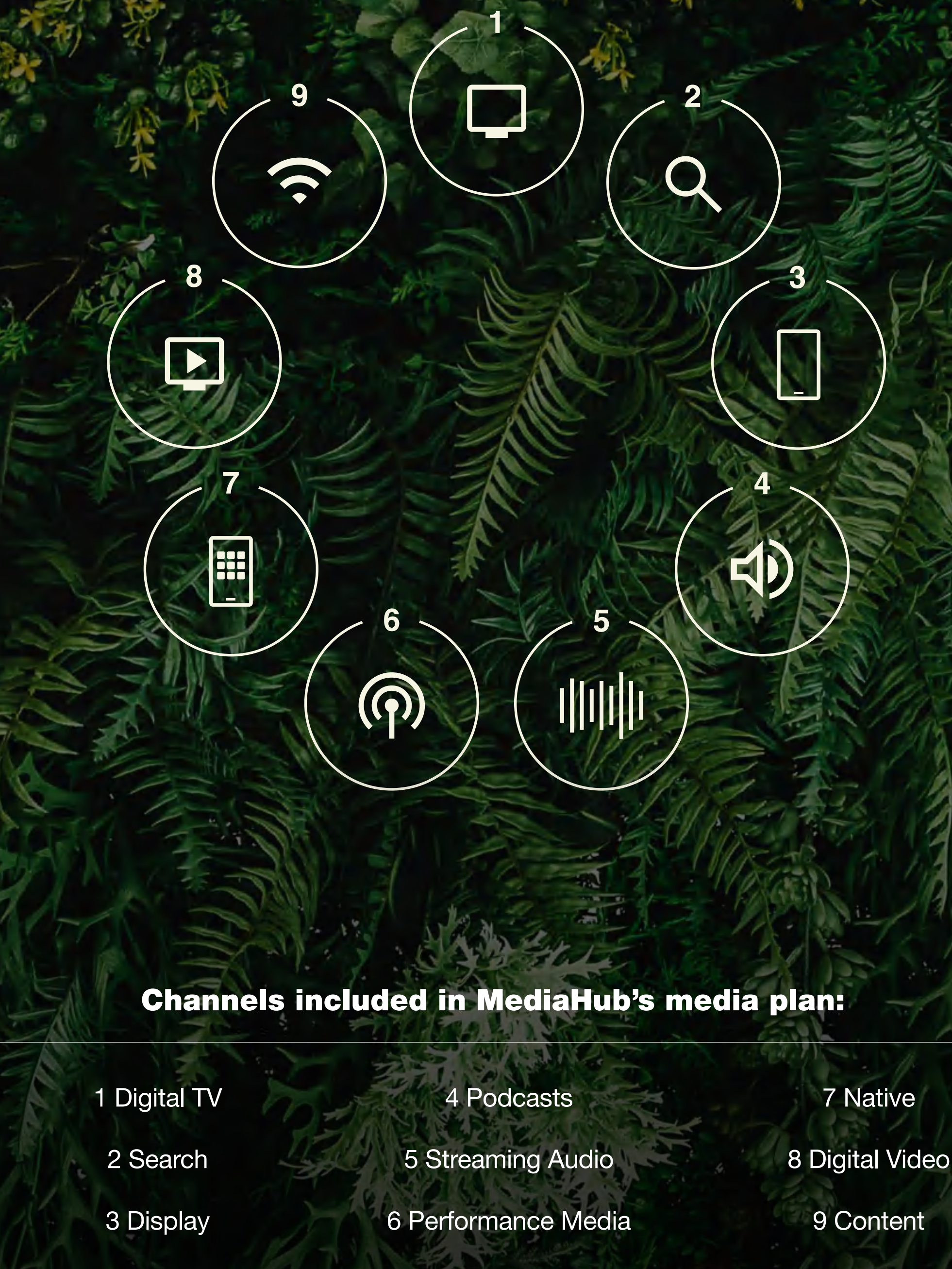


A broad media mix across platforms

In order to maximize the opportunities to reach the modeled audiences, the campaign encompassed a range of formats, digital channels, and digital locations across the DSPs’ networks.

The different channels were used at multiple stages of the campaign timeline, with three core intentions:

- Champion the brand
- Establish brand priorities and spotlight innovation
- Build brand love and trust



Closed-loop clarity of attribution

By adding “Add to cart” and “Find a local retailer” features to the campaign landing page, we were able to provide a closed-loop analysis of mid-to-lower funnel audience behaviors and drivers of demand. We were particularly interested in incremental website behaviors among the modeled audiences:

- **Visits to the Roundup* landing page**
- **Buy actions:**
 - Add to cart
 - Find a local retailer
- **Getting Started**
 - (efficacy of educational creative for specific segments)

*Roundup was the specific SMG product range being promoted.



Campaign Results

Scotts Miracle-Gro

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**26.8
million**

The campaign reached
an audience of 26.8
million people

**117
million**

Nearly 117 million
trackable impressions

**—
4.4**

Average frequency of 4.4
touches per individual

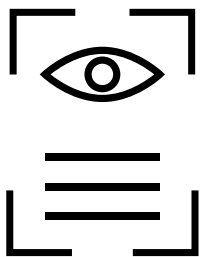
**—
4,950**

4,950 Buy Actions

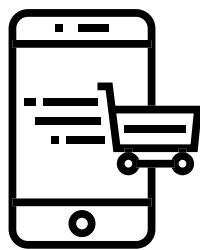
Acxiom modeled audience successes

Acxiom’s campaign analysis provided SMG with a wealth of valuable insights. Opposite are just a few highlights that demonstrate both the success of the campaign and the level of vital actionable audience insight the brand received.

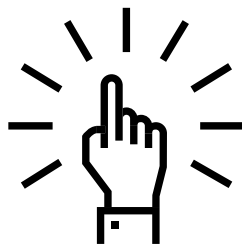
The campaign was highly successful in driving targeted website behaviors among the modeled audiences (Loyalists, Switchers and NSFHOs).



Incremental site visits
Over 203K occurred
10.3X more than the control group



Buy Actions
2.25X more than control group



Getting Started
100X more than control group

Modeled Audience performance summary

Segment	Group	Reach	Digital Impressions	Frequency	Web Visits	Response Rate*	Lift	Incremental Site Visits
Loyalists	Test	4,416,536	27,799,305	6.3	96,000	2.17%	1,033%	87,534
	Control	4,416,536	—	—	8,466	0.19%		
Switchers	Test	6,339,033	30,619,886	4.8	117,844	1.85%	1,032%	107,432
	Control	6,339,033	—	—	10,412	0.16%		
New SFHO	Test	447,320	5,496,366	12.3	8,879	1.98%	1,123%	8,153
	Control	447,320	—	—	726	0.16%		
Overall	Test	11,202,889	63,915,557	5.7	222,723	1.98%	1,036%	203,119
	Control	11,202,889	—		19,604	0.17%		

*Web visits as a % of reach

Overall, the campaign reached 11.2 million within the audience segments, with 63.9 million impressions delivered for an average frequency of 5.7 touches per individual.

Campaign delivery varied by audience, but relative performance was similar with a lift over 11x the control:



Loyalists:
4.4M reached
27.8M impressions
6.3 frequency
87.5K incremental site visits



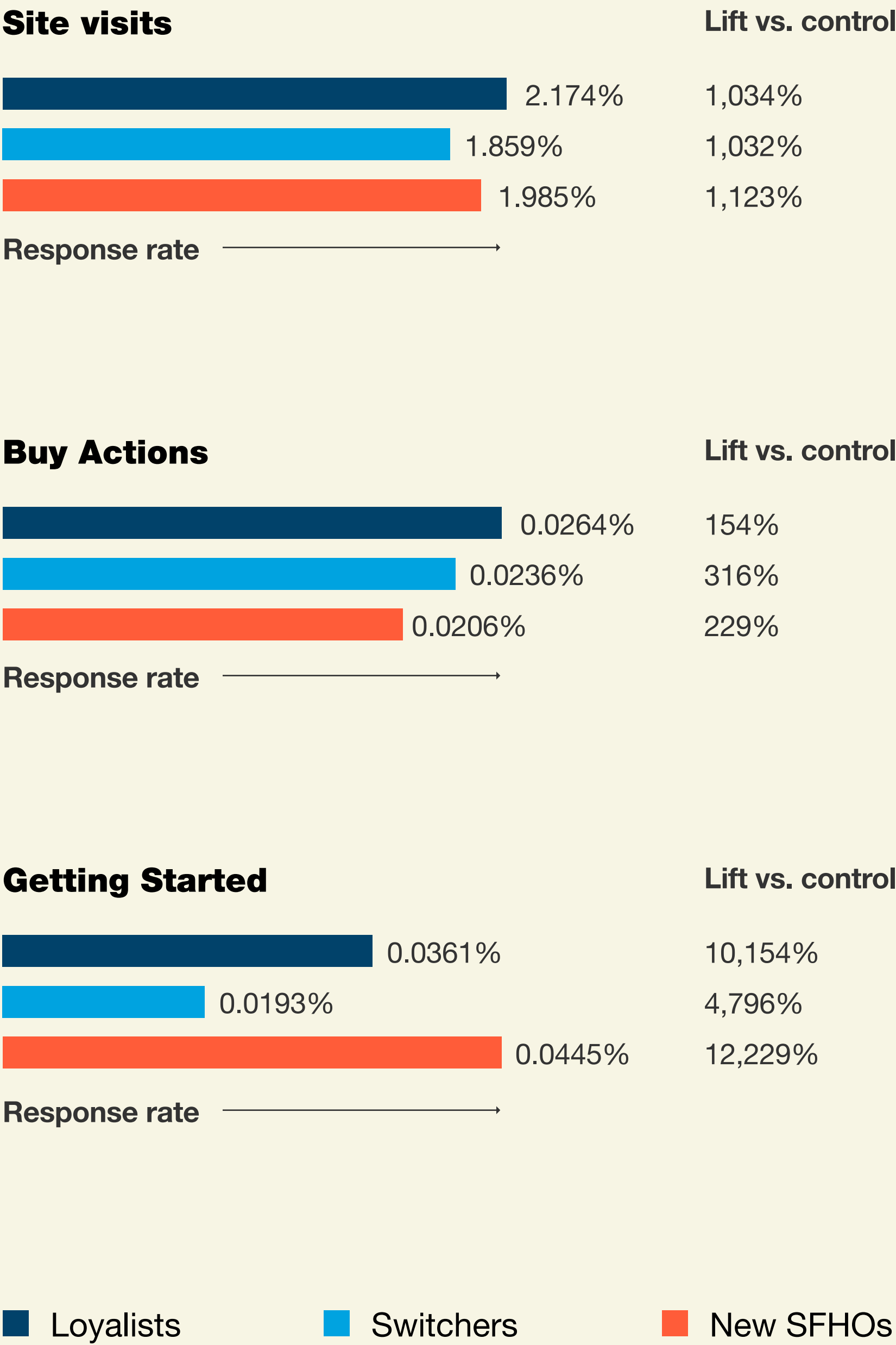
Switchers:
6.3M reached
30.6M impressions
4.8 frequency
107.4K incremental site visits



NSFHOs:
447K reached
5.5M impressions
12.3 frequency
8,153 incremental site visits

Modeled Audience engagement analysis

Overall, and perhaps unsurprisingly, the **Loyalist** segment showed the highest levels of engagement. However **Switchers** engaged at only a marginally lower rate than Loyalists for both site visits and buy actions, suggesting comparable receptivity to the brand. Meanwhile, **New SFHOs** showed significantly greater engagement than the other audiences in ‘Getting Started’ activity, confirming the relevance of educational content for this audience.



New Insight

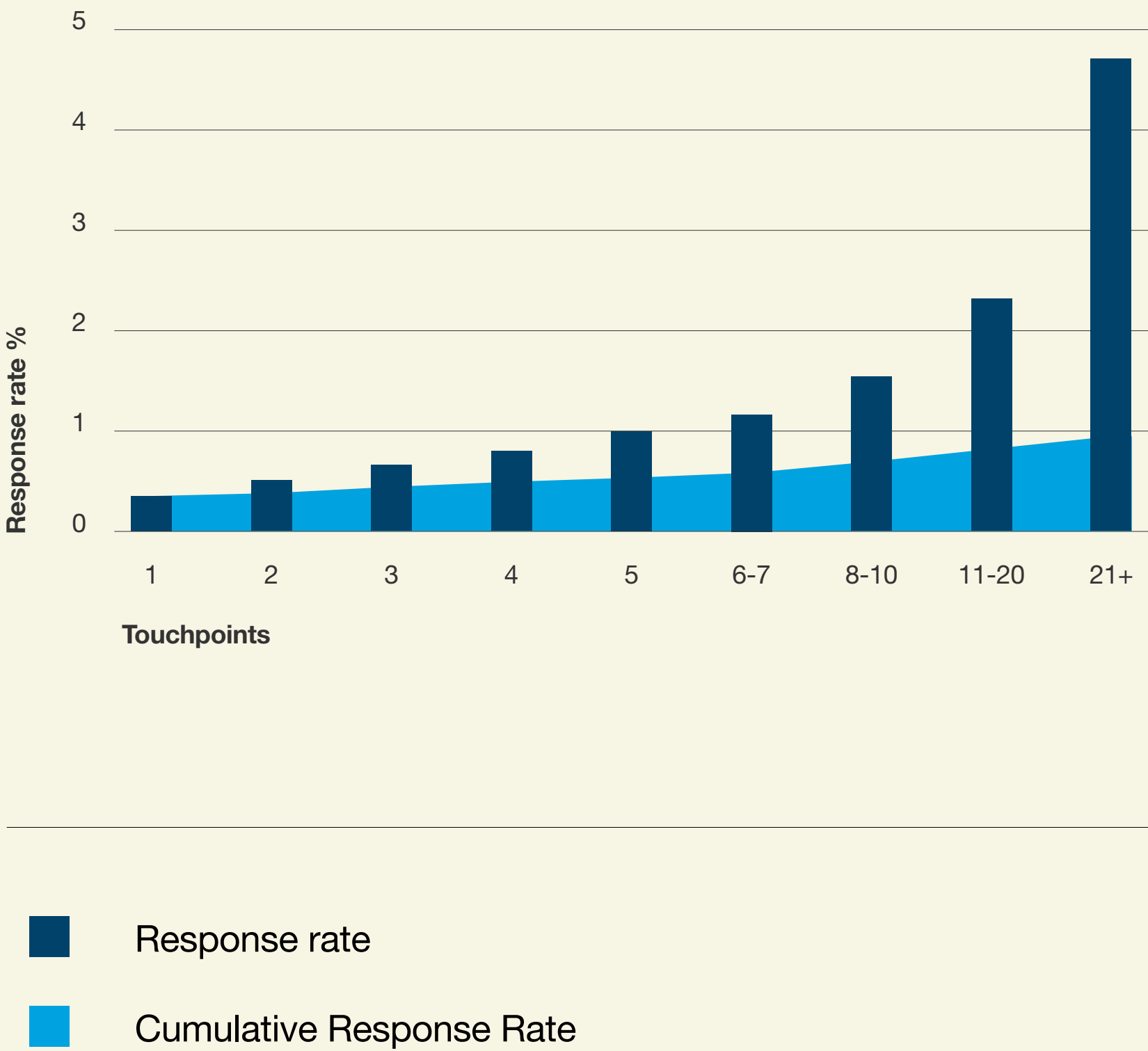
Acxiom’s analysis of the ScottsMiracle-Gro campaign revealed important – and in some cases surprising – audience insight. Nowhere was this more pronounced than in regard to optimizing the frequency of digital touch points. Typically, campaigns would expect to yield diminishing marginal returns, that is fewer audience responses, at higher frequencies.

When we looked at the SMG data, something quite different had happened. Web visit rates grew at lower frequencies until the campaign overall response rate of 1.0% was reached at six touches. But then it kept going.

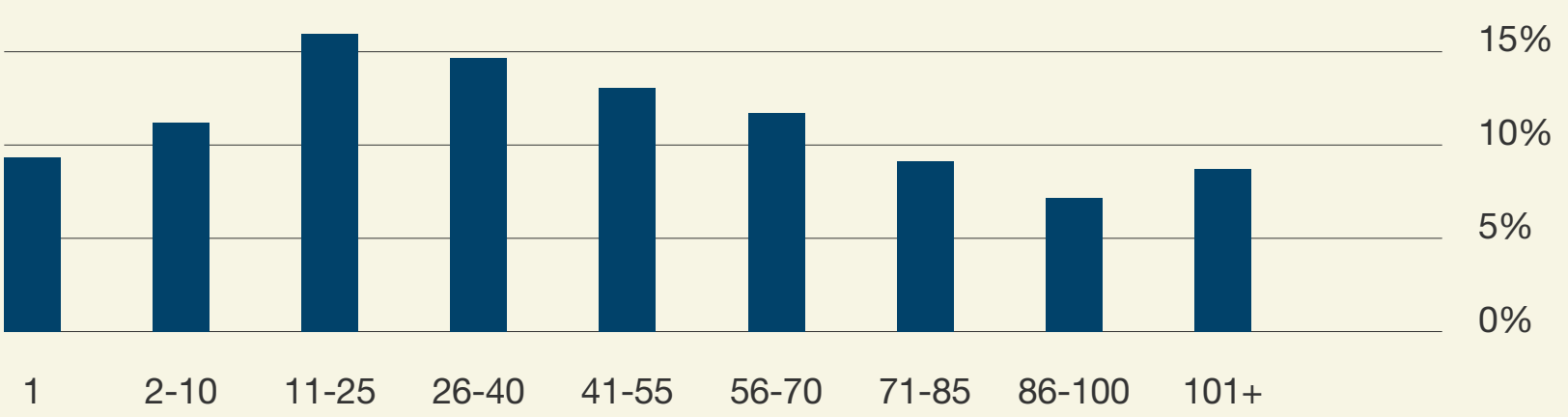
As we can see in the chart, there was no degradation of response at higher frequencies, in fact they actually continued to build with the number of impressions served.

At a frequency of 11–20 touchpoints response is 2.3X the overall response rate.

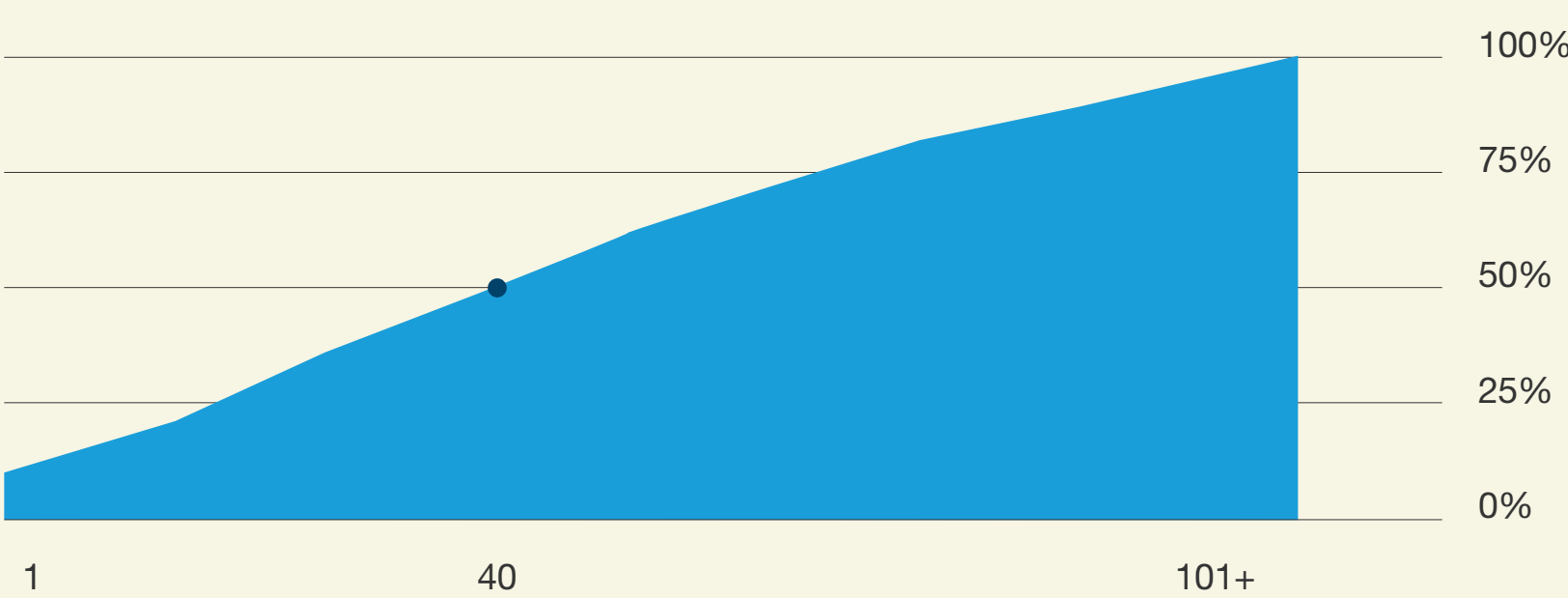
Response Rate by Frequency



Time to convert (days)



Cumulative conversion (days)



Median days to convert: 40 Average days to convert: 46

Long conversion lag

Data analysis indicated a considerable lag between consumers’ first exposure to the campaign (the first time they were served an ad) and their first conversion activity (such as visiting the website). It took more than 40 days to generate 50% of total responses.

The lag partially reflects seasonal timing of the early campaign – ads being delivered before the consumer needed the product. It may also reflect some lingering reluctance to consider the brand among non-Loyalists. In either event, this long lag reinforced the analysis that higher frequency campaigns would be most appropriate – in order to keep the SMG brand top-of-mind in prospective buyers.

> 40
days to generate 50%
of total responses

Range of analysis options

While this case study has focused on a narrow range of the most important analysis criteria, we also sought actionable insight across a range of other campaign variables and media tactics. Acxiom correlated the impact of specific demand drivers upon website visits, Buy Actions, and Getting Started.

The range of variables and demand drivers analyzed included: →

- **Objective**
(e.g. Awareness, consideration, or intent)
- **Media type**
- **Video length**
- **Target type**
(e.g. modeled audience, contextual, or retargeting)
- **SMG product**
- **Creative treatment**
- **Geographical region**
- **Population density of home location**
- **Household income**
- **Consumer age**
- **Consumer gender**
- **Relevant interests**
(e.g. interested in gardening or sports)
- **Personicx segments**
(See next page.)

Demand Drivers

Tactic		Reach	Impressions	Frequency
Overall		26,811,677	116,874,974	4.4
Objective	Air Raid	2,422,797	4,287,580	1.8
	Awareness	1,448	12,889	8.9
	Consideration	9,538,127	19,551,890	2
	Intent	21,857,051	93,022,615	4.3
Media Type	CTV	1,966	51,660	26.3
	Digital Video	8,868,493	18,292,928	2.1
	Display	5,043,348	11,162,482	2.2
	Native	15,637,080	54,006,623	3.5
	Rich Media	8,726,967	33,361,281	3.8
Video Length	06s	2,463,419	3,573,932	1.5
	15s	3,316,432	5,419,767	1.6
	30s	5,777,997	9,350,889	1.6
Target Type	Audience	12,279,749	50,578,816	4.1
	Behavioral	9,100,918	20,840,946	2.3
	Contextual	1,371,577	2,226,656	1.6
	Retargeting	4,507,901	13,254,783	2.9
	Lookalike	3,469,145	9,578,761	2.8
	Weather	8,684,668	20,393,676	2.3
Product	365	14,084,330	33,420,801	2.4
	GEN	8,158,166	16,600,084	2
	LWP	6,770,382	12,293,508	1.8
	RUFL	12,491,559	28,046,282	2.2
	SSW	10,919,896	25,450,922	2.3
	TANK	552,895	1,056,931	1.9
Creative	Draw The Line	1,724,065	3,112,355	1.8
	General	15,637,080	54,006,623	3.5
	Think About	16,592,291	58,692,619	3.5

Demand

Site Visitors		Buy Actions		Getting Started	
Response Index	1.135% = 100	Response Index	0.018% = 100	Response Index	0.014% = 100
<div></div>	111	<div></div>	136	<div></div>	96
<div></div>	49		0		0
<div></div>	150	<div></div>	146	<div></div>	182
<div></div>	91	<div></div>	119	<div></div>	121
<div></div>	40	<div></div>	179		0
<div></div>	118	<div></div>	82	<div></div>	113
<div></div>	239	<div></div>	85	<div></div>	232
<div></div>	47	<div></div>	70	<div></div>	90
<div></div>	56	<div></div>	84	<div></div>	65
<div></div>	124	<div></div>	101	<div></div>	125
<div></div>	108	<div></div>	104	<div></div>	107
<div></div>	68	<div></div>	95	<div></div>	68
<div></div>	51	<div></div>	87	<div></div>	79
<div></div>	56	<div></div>	94	<div></div>	74
<div></div>	56	<div></div>	88	<div></div>	41
<div></div>	319	<div></div>	133	<div></div>	271
<div></div>	62	<div></div>	104	<div></div>	54
<div></div>	56	<div></div>	94	<div></div>	82
<div></div>	87	<div></div>	100	<div></div>	86
<div></div>	69	<div></div>	100	<div></div>	132
<div></div>	70	<div></div>	107	<div></div>	125
<div></div>	123	<div></div>	104	<div></div>	101
<div></div>	155	<div></div>	108	<div></div>	119
<div></div>	96	<div></div>	80	<div></div>	37
<div></div>	134	<div></div>	111	<div></div>	85
<div></div>	58	<div></div>	91	<div></div>	112
<div></div>	108	<div></div>	98	<div></div>	103

Further actionable insight

Acxiom was able to provide insight into the more productive demand drivers, which enabled SMG to reshape its media tactics in some areas in order to maximize return on investment. In particular, we identified opportunities to further optimize the media mix by redirecting investment towards:

- **Consideration communications**
- **Display (and CTV for Buy Actions)**
- **Shorter Digital Videos**
- **Retargeting audiences**
- **Two specific SMG products**

A formula for growth

By enabling SMG to identify and build out key audience segmentations, then scale them up for wider reach and omnichannel enablement, MediaHub's campaign management and execution powered by Acxiom's data helped the brand deliver targeted, contextually relevant communications. Additionally, being able to slice and dice audience insight across a range of criteria continues to enable the organization to optimize the execution of their campaigns with informed media tactics.

This has helped ScottsMiracle-Gro overcome the lack of first-party data inherent to store-centric CPG brands. More importantly it has enabled them to retain and grow their base in both existing and new customer segments.



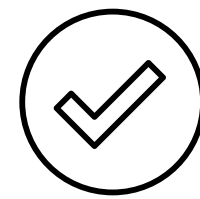
Campaign reaction

Scotts Miracle-Gro

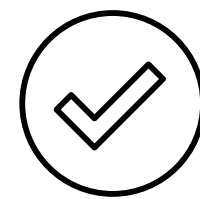
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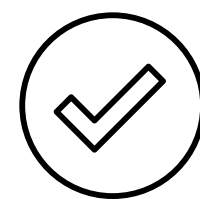
The effectiveness of the Scott's Miracle-Gro campaign has implications for the brand both now and in the future as Kreg Elsass, brand director at SMG, confirmed:



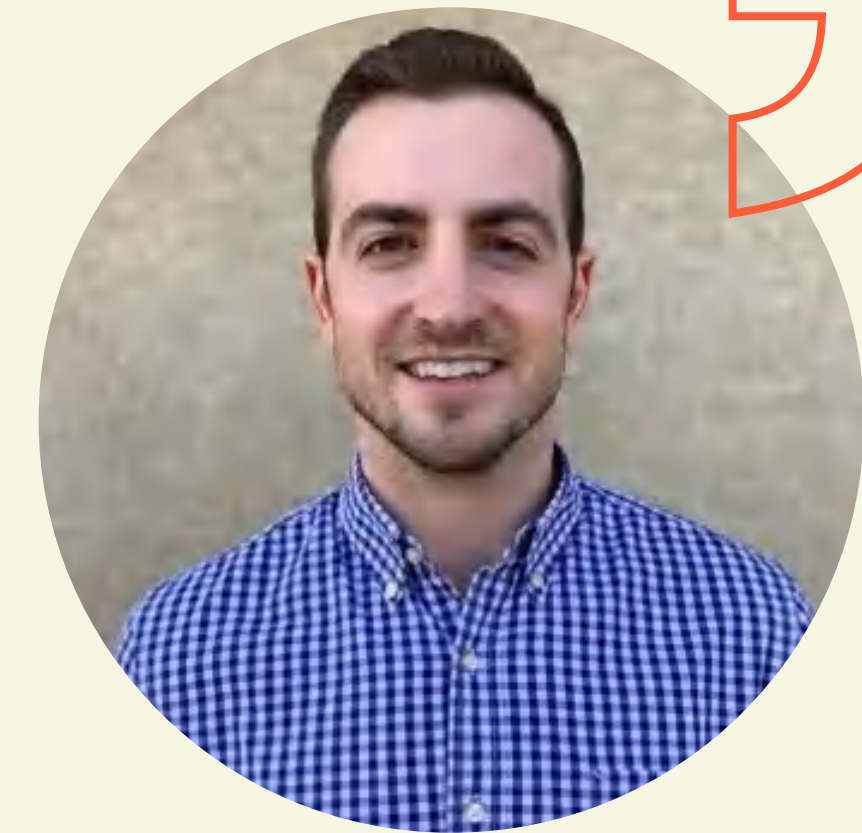
The investments we made in audience segmentation really paid off. We were very strategic and targeted against audiences that we thought that we could win immediately and would be most receptive to the brand.



Because of the success from those audiences, we're extending our scope to other segments that have opportunity for growth – not just people who are engaging with the brand today but also people who we have the right to win in the future – if we connect with them in the right medium with the right message.



We've proven that investing in audience segmentation is successful and there are dividends to be paid and ROI that follows. More importantly, there are tons of opportunities for other brands in our portfolio that don't utilize audience segmentation as much.



The investments we made in audience segmentation really paid off...Because of the success from those audiences, we're extending our scope to other segments that have opportunity for growth – not just people who are engaging with the brand today but also people who we have the right to win in the future...

**— Kreg Elsass,
Brand Director, ScottsMiracle-Gro**



About Acxiom

Acxiom partners with the world's leading brands to create customer intelligence, enabling data-driven marketing experiences that generate value for people and for brands. The experts in identity, the ethical use of data, cloud-first customer data management, and analytics solutions, Acxiom makes the complex marketing ecosystem work, applying customer intelligence wherever brands and customers meet.

Acxiom's Customer Intelligence Cloud (CIC) brings it all together, combining data, technology, and expert services so brands can acquire the customers they'd love to have, grow trusted and valued customer relationships, and retain their best customers for today and tomorrow. CIC is a connected suite that includes identity solutions, data and audience insights, and analytics, integrated with leading marketing platforms and technology partners, and supported by award-winning services.

By helping brands genuinely understand people, Acxiom enables experiences so relevant and respectful, people are willing to explore new brands and stay loyal to those they love. For more than 50 years, Acxiom has turned the complexity of customer data into the simplicity of customer understanding, delivering better experiences for people and growth for brands.

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Contact Acxiom's **Data Guru** team to consult with digital data experts to help power your campaigns: DataGuru@acxiom.com | acxiom.com/data-guru/