Acxiom audience segmentation as a platform for growth
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Campaign reaction

About Acxiom
Customer & context
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
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.

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**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
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.*
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

<table>
<thead>
<tr>
<th>Channels included in MediaHub’s media plan:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital TV</td>
</tr>
<tr>
<td>Search</td>
</tr>
</tbody>
</table>
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
The campaign reached an audience of 26.8 million people. Nearly 117 million trackable impressions were achieved. The average frequency of 4.4 touches per individual resulted in 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

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

*Web visits as a % of reach

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**Acxiom audience segmentation as a platform for growth**
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.

<table>
<thead>
<tr>
<th></th>
<th>Loyalists</th>
<th>Switchers</th>
<th>New SFHOs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Site visits</strong></td>
<td>2.174%</td>
<td>1.859%</td>
<td>1.985%</td>
</tr>
<tr>
<td><strong>Lift vs. control</strong></td>
<td>1,034%</td>
<td>1,032%</td>
<td>1,123%</td>
</tr>
<tr>
<td><strong>Buy Actions</strong></td>
<td>0.0264%</td>
<td>0.0236%</td>
<td>0.0206%</td>
</tr>
<tr>
<td><strong>Lift vs. control</strong></td>
<td>154%</td>
<td>316%</td>
<td>229%</td>
</tr>
<tr>
<td><strong>Getting Started</strong></td>
<td>0.0361%</td>
<td>0.0193%</td>
<td>0.0445%</td>
</tr>
<tr>
<td><strong>Lift vs. control</strong></td>
<td>10,154%</td>
<td>4,796%</td>
<td>12,229%</td>
</tr>
</tbody>
</table>

**Response rates** for each category are as follows:

- **Loyalists**: 2.174%
- **Switchers**: 1.859%
- **New SFHOs**: 1.985%

**Lift vs. control** percentages reflect the performance of each audience segment compared to a control group.
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

<table>
<thead>
<tr>
<th>Touchpoints</th>
<th>Response rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td></td>
</tr>
<tr>
<td>3-4</td>
<td></td>
</tr>
<tr>
<td>5-6</td>
<td></td>
</tr>
<tr>
<td>7-8</td>
<td></td>
</tr>
<tr>
<td>9-10</td>
<td></td>
</tr>
<tr>
<td>11-20</td>
<td></td>
</tr>
<tr>
<td>21+</td>
<td></td>
</tr>
</tbody>
</table>

- **Response rate**
- **Cumulative Response Rate**
Long conversion lag

Data analysis indicated a considerable lag between consumers’ first exposure to the campaign (the first time they were served an advert) 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)
- Personix segments (See next page.)
Mid-campaign, 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

Further actionable insight

What is Personicx?

Personicx is Acxiom’s proprietary consumer segmentation solution that allows brands and marketers to better engage with modern audiences. It offers five powerful systems in the U.S. enabling segmentation by individual, household, life stage, financial or insurance behaviors, and ethnicity and acculturation. Personicx is available in select countries around the globe, analyzing the digital behaviors of consumers worldwide. Find out more.
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
The investments we made in attitudinal 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.

— Kregg 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.

With locations in the US, UK, China, Poland, and Germany, Acxiom is a registered trademark of Acxiom LLC and is part of The Interpublic Group of Companies, Inc. (IPG). For more information on Acxiom and their Customer Intelligence Cloud, visit Acxiom.com.

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