



PROFILING AND TARGETING CUSTOMERS

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Profiling and personalization

Dear iSeries Reader,

Personalization has become the name of today's marketing game.

"Throw it at the wall" tactics largely have been replaced, rightfully so, by strategies built on meeting prospective customers and clients at their exact need ... at the exact moment they have that need ... and making each consumer feel like you're talking directly to them every step of the way.

Nope, it's no longer about having that 1990s standard sales funnel in which we dump and filter a million faceless addresses or email addresses down to a few potential clients. It's no longer about cobbling together and manipulating marketing focus groups to make them fit our desired end goals. We're even past the "old" goal, circa-2010, of harnessing that brand-produced, no-cost, viral unicorn on social media. (To the extreme, Facebook is now testing removing all business-page organic posts from news feeds. In other words, paid social is about to call game, set, match.)

So, personalization it is. But, before you personalize your marketing correctly, you have to know who you're personalizing the experience and message for, don't

you? That question seems obvious, but a lot of marketers, while improving, still don't fully understand or effectively build their consumer profiles.

Even some of the biggest brands struggle at times with this. Ask Dove, who, in 2017, thought it would be a good idea to use skin color to represent dirt. That ad was certainly personalized for a segment of its consumers. It did not, in any stretch of the imagination, have

you from start to finish in the targeting conversation. We start by examining crowdcultures – the term given to how the internet has sorted itself into groups based on interests. Then, we'll work through profiling – what it is and where to start – before heading into different sectors, including: social, print mail, and email targeting.

Once you're through all of that, it is our hope that you will be confident in

Before you personalize your marketing correctly, you have to know who you're personalizing the experience and message for, i.e. profiling.

the correct general profile created for "who has an interest in our product."

It is a glaring illustration of a wide divide between "who I think my customer might be" and "who is actually interested in my product." It behooves us all to take the example as a cautionary tale regarding the importance of having a correct consumer profile.

So, how do you avoid "Dove'ing" it?

This iSeries whitepaper is built to guide

your ability to build better profiles of your buyers and sellers so that your marketing and communications efforts are always on target.

Enjoy!

Sincerely,

Your iSeries Team

Social media crowdcultures and how they affect your brand effort

As brands, we spend an awful lot of our marketing thoughts, energy, and time trying to figure out how to “play nice” online with our audiences. On the defensive from the beginning (because we’ve watched many social media engagement horror stories), we ask ourselves: “Can we say this? Can we do that? What backlash might this image cause?”

We then attempt to employ analytics to insulate our message (and brand) against backlash. We dump time and money into negative keyword research and tools that build exact audiences we believe would be the most apt to play nice back. Or even maybe someday they purchase our goods or services and become brand loyalists and influencers.

That’s the hope anyways, and many brands are shocked when their targeted audience instead jumps up to complain. What many marketers fail to understand is the essence of crowdcultures.

The internet and social media have provided never-seen-before opportunities for large crowds – based on anything from Ford Mustangs, conspiracy theories, bird watching, or 18th-century art – to assemble and exert “direct and substantial” cultural influence, according to Douglas Holt’s piece, “Branding in the Age of Social Media,” which appeared in the March 2016 Harvard Business Review.

These cultures exist, and they can be a rich place for connecting your brand message to interested parties if done so thoughtfully and with tact. However, where many marketers go wrong is trying to mimic these cultures, forcing them if you will, by throwing a few common profile characteristics together and depending on an algorithm to birth a consumer unicorn that eats only your brand.

You can’t force culture – either in force-creating it or attempting to force organic crowdcultures to love what you’re selling. Brands on all levels commit this folly and

watch with frustration (and eventual disdain for social media marketing) as expensive campaigns fall flat or even result in diminished brand loyalty. Shocked, they wonder:

That campaign should have worked, right? After all, a targeted group – one that had shown strong interests in, auctions, let’s say – should have jumped at the chance to engage with an auction company that offers a logical

“You can’t force culture – either in force-creating it or attempting to force organic crowdcultures to love what you’re selling.”

connection point specific to that interest. Right?

Let’s assume the rest of the campaign was built soundly. The message, the tone, ad copy, images – everything was, on paper, a supposed good fit for the target audience. So, what could have happened?

The campaign didn’t tap into the crowdculture’s soul. This is to say, yes, everyone in the group indicated auctions as an interest. But, when you’re in this forced group setting, you have to remember you are assuming that the one trait you selected is the dominant one.

For example, say your targeting group included me. However, auctions are simply a passing interest to me – something I hardly ever think about as a consumer other than my liking a television show that includes auction. So, you market to me with ads about your auctions, your company, etc. “Auction” isn’t what drives me, so therefore, it didn’t resonate, let alone drive the audience to an action.



A strong marketing campaign will tap into a crowdculture's soul. Simple profiling can make this difficult as companies oftentimes make assumptions about how dominant a specific trait is within a target group.

Supermodels and kickboxing

Let's look at an example of tapping into social cultures.

Also in Holt's article, the piece took a hard look at Under Armour's "I Will What I Want" campaign in which it featured Gisele Bündchen in a solo kickboxing workout with negative comments from each culture showing on the walls.

"[The video] immediately stirred up the crowdculture: Sports fans were cynical, Gisele fans were curious, fashionistas were puzzled, and feminists simply loved it," the article stated. "The company aimed its communiqués directly at the crowdcultures that held those norms, which set off a firestorm of debate."

The ad didn't just have Gisele wear Under Armour or have her talk about her love for Tom Brady wearing his. It used

several social media crowdcultures' own words and showed someone fighting against them. In doing so, it spoke to them directly – refuting their rhetoric and responding with their brand's message that Under Armour is for even the supposed dainty female. It appealed to those cultures' roots, using their own words, and they listened.

So now, let's go back to our auction ad campaign that fell short despite its perfect attention to detail in listing items, schedule, company, etc.

Let's expand and say it was an estate sale and included the property.

The opportunity would perhaps exist to appeal to civic-minded groups who have interests in the building's location. Perhaps it is in a city area in need of revitalization. Perhaps some of the home's lots include a childhood baseball card collection – something

sports fans or nostalgic others may have an interest in.

It isn't enough to simply target those groups and say "I have an auction!" or use Facebook targeting to find a million people who indicate baseball is an interest. You need to research and think about the driving factors in those cultures. How do they talk? What do they value? How do they behave? You need to build the full profile.

Answer those questions and your marketing pieces, and your online brand in general, will stand a much greater chance of resonating with the crowdcultures you target.



Targeting and Marketing Personas

Common names, family names, nicknames ... we all have a name. And, we know the powerful associations that come with those names. At their root, in some ways, names help form the foundation of our identity.

Think of a random friend's name and immediately your mind fills with specific characteristics you associate with that person. Physical attributes certainly, but also experiences you've had, stories you've heard, the way that person reacted in situations, what they think, other facts you know ... all of those things combine to form an image of the person attached with the name you just recalled. All of that from a name.

Pretty powerful, right?

So, what happens if we do that process backwards? What if we start with a random assortment of attributes. A few physical demographics and maybe a couple of behaviors, lifestyles, and interests added as well. We start to form an image in our mind just like before, don't we? And the more characteristics we add, especially from a mental and psychological perspective, the much sharper and fuller that image becomes.

To complete the exercise, however, to really make that collection of data transform into a real-life someone you can target, you need a name. Give your list of factors a name and a job title (based on data), and you have just created a full marketing persona.

If this is new for you, but you've allowed yourself to think down this line as you've read, it is a safe bet you're already imagining how different (and better, hopefully) it would be communicating to a persona versus the nameless, faceless audiences of emails, physical addresses, and social media profiles.

Even if you're not new to the persona concept, it is a good to remind ourselves regularly why personas are important. Personas make it easier for our marketing minds to concep-

tualize our dialogues with consumer groups. Maybe more importantly, being able to picture the conversation we want to communicate with an individual makes it easier to spot potential pitfalls in messaging, artwork choice, etc.

Where to start

Let's go back to that exercise from earlier and talk in more detail.

How do you find those attributes so that you can begin to build your personas? The answer is simple: use data.

If you have website analytics from Google (or another source), you have been collecting data about people who have engaged with your business. If you have a Facebook page set up for your business, you have key data already collected for you (find it under "Insights" on your business page). All of this information will go into building your personas.

Aside from analytics, you can also take time to "listen

Learning how to best use data and building marketing personas are both key areas covered in-depth in NAA's Auction Marketing Management (AMM) course.

socially” on your social media accounts. Spend some time reading about the things that people engaged with your company care and talk about. Note those topics and add them to your data.

And, while it may take the most time, it may be worth the most – conduct interviews with or ask questions directly to people who accurately represent those groups you want to target. The key here is to conduct enough interviews and collect enough information in order to identify trends or commonalities. If you only do a few interviews and responses are all over the board, it won’t be very helpful.



Basic targeting, including age and gender, is useful but limited and leads to a basic view of your audience. A better strategy is to use analytics and ask questions. Get to know your audience’s interest and behaviors. You then can build a better understanding of how your service can meet their needs.

Among questions to ask, so that you can gain useful feedback (see blog.bufferapp.com/marketing-personas-beginners-guide for a fuller list):

- What’s important to them and what’s driving the change?
 - What’s impeding or speeding their need to change?
- Who do they turn to for advice or information?
 - What’s the value they visualize once they make a decision?

According to Buffer Social, asking these types of questions allows you to identify fears, challenges, and other useful connection points where you might be able to demonstrate your company’s ability to solve those issues. (As an auction professional, you’re probably thinking of several pain points you’re used to hearing as you read this.)

Profiling: Facebook and Lookalike Audiences

Facebook makes it easy to target ... and even easier to expand your reach to the right people.

Quietly tucked under “Tools” and a couple of additional clicks, Facebook’s Lookalike Audience generator is wholly unassuming in its appearance.

It is also criminally understated in its importance for auction professionals, and marketers in general, who are desperate to better connect with Facebook’s massive, and daily-growing user pool that now exceeds 1.3 billion people.

Simply put, the Lookalike Audience tool has the ability to permanently change how you market to new and old buyers and sellers alike.

Why? It eliminates the 100-percent “new” element in your quest for new clients and customers. How? Facebook allows you to build new target lists and groups that are based on similar or “lookalike” information that your current clients and customers have already submitted in their very own profiles.

The Lookalike theory is that if Person A is a customer of yours, and Person B has similar profile characteristics to Person A, then the chance increases that Person B would also be interested in your product or business because both people



REACHING OUT: With just a \$95 budget, the NAA saw its sample campaign reach 24,400 people in just over a week.



Facebook Lookalike Audiences allow you to build target groups based on what you know about your buyers and sellers - what they like, how much they spend, what kinds of sales are the most popular, etc.

have exhibited similar interests.

Now, think about how many hundreds or thousands of people you know currently use or visit your business. Think about how massively awesome it is that you could build an entire new target group based on what you know about your buyers and sellers – what they like, how much they spend, what kinds of sales are the most popular, etc. Think how exponentially big that list could grow to in a short time based on common interests?

Pretty cool, isn't it?

NAA practicing what it preaches

The National Auctioneers Association caught wind of this handy feature awhile back, and it was lucky enough to have a current member – John Schultz, AMM – who took the full Lookalike plunge a few years ago.

Schultz and Grafe Auction, in Chatfield, Minnesota, decided to go all-in with Facebook advertising (dropping print ad strategies along the way) in 2014. The results were astounding and far better than expected. Website traffic – up. Auction participation – up. Sales – up. All because the company found a way to build off of its current buyers and supporters and expand their extremely targeted base instead of hoping a complete faceless public happened to drop semi-interested parties into their laps.

As part of its popular, free, 30-minute iSeries webinar program, NAA dedicated a session (members can download the replay at auctioneers.org/iSeries to having Schultz walk through how to set up a Lookalike Audience. Before that, however, NAA decided to put the Lookalike product to a bare-bones test.

Instead of relying on regular marketing vehicles, the decision was made to build custom audiences on Facebook. An ad about Schultz and encouraging registration to the upcoming iSeries would be served to two Lookalike groups built from the custom audiences.

It was decided that one Lookalike group would be built from Facebook users who like and follow the NAA Facebook page. The other group was built based on current NAA members.

Each group was targeted for 9 days, at \$5 per group per day. The result? More than 400 clicks took interested users to the iSeries registration page, and the campaigns had a total reach (how many people saw the NAA/iSeries ad in their Facebook feed) of 24,464. The larger result was a new record number of registrations for iSeries, with more than 300.

The NAA brand and iSeries program was seen more than 24,000 times with more than 400 clicks. It was all done for a scant \$95.23 – or about \$10 per day. (All of that is a good thing.)



Facebook now has 1.32 billion daily active users. Every one of those profiles has information attached that can be used for targeting.

While there are some specific nuances that help further ensure a successful Lookalike campaign, the bottom line is that auction professionals now have a way to drill down in their buyer and seller lists – leveraging them into a wider group that has never been so targeted.

How to build your custom Facebook audience

So, how do you use this free, massively awesome feature?

1. At your Facebook profile page, go to the top-right corner and click the small downward-facing triangle. In the dropdown menu, select "Manage Ads."
2. At the top of the page, click "Tools" and then click "Audiences".
3. Click the blue box labeled "Create Audience." From here, you can upload emails, phone numbers, Facebook IDs, etc., or use other listed ways to create your audience.
4. Once your custom audience is built, click that same "Create Audience" blue button and this time select "Lookalike Audience". You'll add some parameters for your list (including budget, size of list, etc.) at this step.
5. Facebook will create your list and notify you when the Lookalike Audience is ready.
6. On the "Audience" page, at the top right corner is a green "Create Ad" button. Click it to build your Facebook ad, or use one you have already.
7. Target your ad using your newly created Lookalike Audience.
8. Repeat as often as you would like to upload a new list, create a new segment, have a new ad for an old group... you can create as many lists as you like!

Getting the most out of Google AdWords insights

While Facebook dominates most headlines regarding audiences and targeting, other platforms have become quite adept at the profile data game themselves.

One of the absolute best should come as no surprise. Where Facebook is the flashy, talented, sometimes louder sibling, Google is the quieter data-gathering king in Search Engine Optimization. Sitting in the Internet's version of the pole position, with more than 100 billion searches per month reported in 2015 (Mashable), the search engine tracks every single one of those, assimilates that data, and makes it available to marketers.

Hello AdWords, old friend.

In AdWords, determining your customers' profiles is easy and done in five quick steps:*

**This assumes you have an AdWords account. If you don't start here: support.google.com/adwords. Here, you'll find how to start from scratch, including determining the right key words for your ads.*

1 Click Shared library in the AdWords side navigation bar.

2 Click View under Audiences.

3 In the Audiences table, select a remarketing list.

4 Here, insights about the list you selected are available, including demographics, device preference, affinities (i.e. interests) and more.

5 Select Table View to see the report in different ways.

Similar audiences

Did you know you can apply the same "Lookalike" concept from Facebook in Google AdWords? Google rolled out its "Similar Audiences" feature in full early in 2017, and allows for marketers to quickly target searchers who match characteristics of existing remarketing audiences.

For example, if you have a landing page for an upcoming auction, or an item in that auction, you can set up a campaign to serve to people who are similar to those who have visited your page.

The only catch is your campaign must be a "Search" or "Display Networks" campaign.

Direct mail: No more metered spray and pray

In a copy/paste world, this might be one of the most over copied/pasted lines ever: Print is dead.

It's not, actually. It's just that print (and everything associated with it such as direct mail) has shifted its role to a solid supporter of digital marketing campaigns. There is good reason for that shift, but the fact is there is plenty of targeting innovation within direct mail that makes it as viable as ever as a marketing channel.

Just like digital, the days of "spray and pray" targeting are gone. For example, the U.S Postal Service offers a program that allows for targeting by age, income, household size, and even carrier routes. Print companies offer targeting

Mailing lists and EDDM

In today's marketplace, never should you settle for a direct mail blanket approach. Companies abound – Experian, InfoUSA, DirectMail.com, Spectrummailinglists.com, and ExactData.com are only a few random examples – with the ability to segment, model, and customize a mailing list for your specific need.*

**Before you purchase a list, there are several questions you should ask any provider, including what specific data fields you will be purchasing and where the data came from. A good checklist these tips and more can be found at: www.mackenziecorp.com/9-tips-on-how-to-buy-a-mailing-list.*



and personalization services including one, variable-data printing, that flips artwork within the same campaign to match a specific consumer's interests.

Data says innovations like these have led to a direct mail household response rate of 5.1% (compared to 0.6% email, 0.6% paid search, 0.2% online display, and 4% social media). (Data and Marketing Association Response Rate Report, 2017)

"Direct mail has the greatest impact because it offers a tangible experience for the customer," Comp-mail.com said in a July 2017 blog post.

Many auction companies find great success in print campaigns, so how can you make sure you're targeting (and then personalizing) as well as you can and should be?

Also, as mentioned above, the U.S. Postal Service has developed a targeting system called Every Door Direct Mail (EDDM). The system features an interactive mapping tool that allows the user to target exact locations for delivery. The USPS also has partnered EDDM with third party marketing specialists in order to provide a more robust marketing offering around its targeting tool.

Personalization an even greater must

While personalization is a must with any marketing campaign now, it is especially important with direct mail. Data backs up this assertion, as 86% of consumers reported that personalization plays a role in their purchasing decision (Infosys.com). And, a combined 84.2% of survey respondents to an InfoTrends 2016 study said they were either "a little more likely" (55%) or "much more likely" (29.2%) to open

or read a direct mail piece.

Mentioned earlier, variable-data printing is an easy way to make sure your targeted lists receive the personalized emails they need.

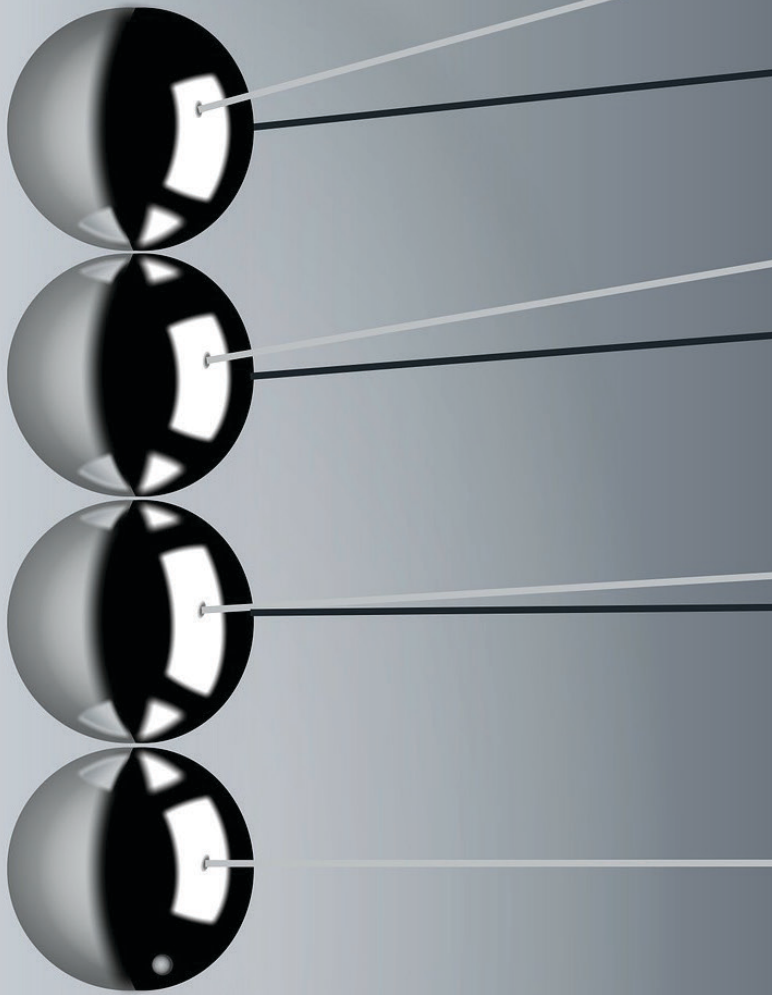
Ad copy (including offers), images and graphics all can be sorted and applied to the pieces that fit each consumer best – a cityscape for an urban consumer vs. a country image for a rural customer; or even two different colors of the same automobile based on color preference.

Remember the “why” behind all of this is that you are connecting your message to the expressed interests/preferences/etc. of your targeted email list. It is the red/blue/green/gray cherry on top of the targeting sundae!

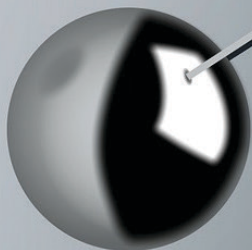
So, no, print is not dead. It is very much alive in whatever form your targeted consumers want it to be.

The top response rate tracking methods are online tracking such as personal URLs (61%), call center or telephone (53%), and code or coupon (42%). (Compu-mail.com)





Like a Newton's Cradle in motion, email automation helps ensure that each marketing action propels the next one along.



Targeting and effective e-mail strategy

There was a time (like 12-15 years ago) that email was the big ticket item for “personalized” online marketing campaigns. You collected some emails from events, tradeshow, and networking, and you even knew some of the people attached to them personally. Then, you would supplement your list with a paid list of email addresses in a geographic area.

After that, you would blast your growing list with a “personal” message, including the really exciting ability to insert a first name, letting them know you had an upcoming event.

Open rates became a thing because we wanted email engagement to improve on the old print philosophy of “placing an ad is enough.” Click rates became pretty important soon after because, yeah, while you knew who opened the email, it was even better to know if they actually were coming to your website.

And now, email strategies have grown and become so intricate that a batch of three, four or five emails are waiting for you (with your first name included!) and other consumers based on variable data. The campaign might be based on your behaviors, your interests, or likely both.

That sophistication is vital because, yes, it personalizes user experience more, but it also improves your relationship with consumers as they contend with an increasing number of spam emails on a daily basis. (The number of spam emails that bypass security filters was 12 per day in 2015 and rose to 16 per day in 2017.) Also, grouped (segmented) email campaigns have a 14.32%-higher open rate than non-segmented campaigns, and 100.95%-higher click-through rate. (MailChimp.com)

So, what does this all mean, and how do you put that to work for your business?

Target by interest

"I want a list of emails for people aged 20-35, who live in the Northeast in single-family homes and own at least two automobiles."

This is what many marketers know what to ask for these days. You can build those kinds of profile lists (see page 8) and obtain address information. (You don't want to stop there, though. Immediately upload those emails into Facebook or Google and gain additional, helpful affinity data in a hurry about your list!) In that process, build your lists to whatever specified level you think works best. The more detail you put into it, the more complete your persona is (see page 6).

Once you have your lists built, then you can move to the slightly more complicated next step, which is to segment (target) your list based on consumer behavior.

Target behaviorally

First, for the purpose of this conversation, when we talk about behavior, we are referencing the actions a consumer takes within your email. Did they open the email? Did they click anything? Do they click through and start a transaction on your website but never complete it? Do they buy from you multiple times per month? All of these answers are different behaviors.

What we want to do is turn those behaviors into segments. This process is scalable – meaning it can have as few or as many layers/segments as you want or need. It might look like this:

1. People who open emails.

Or ...

2. People who open emails and click through to my website.

Or ...

3. People who click through to my site but haven't purchased anything

You get the idea. Each is slightly more layered than the previous segment, and your segments will grow as more customers come into the mix. (This is when automated

e-mail marketing support comes in handy. Constant Contact and others all offer this support, including templates, for little or no cost.)

Content strategy

As your segments begin to flesh themselves out, you will want to build different email batches with a different message. You don't want a "Hey! Why don't you open anything?" message going to a regular purchaser, for example.

So, to begin, map out your segments using the data you have and write down the persona and behaviors connected with each group. "Rural male, opens in the evening and clicks, but doesn't purchase, etc."

Then, next to each list of behaviors, write down your goal for each group. Is it to have them bid on an item? Is it to secure your services as their seller? The gap between the behaviors and your end goal is the basis for your email conversation.

After determining your specific goal, work one step backward. Imagine yourself sitting at a table with "Bob." What does the conversation look like between you and Bob right before that end goal decision? What are you discussing with them? Write out what specific points you would make at that time. Then, take another step back. What would you say before

that? And before that?

Write your points down for each step. Each step is a separate email.

Work that process all the way to your "Welcome!" email that introduces you and your business to Bob. (On average, 320% more revenue is attributed to welcome emails on a per email basis than other promotional emails, according to easy-smtp.com.)

At the end of this planning and mapping exercise, you will have a brand new, targeted, email marketing strategy.

Segmented email campaigns have a 14.32%-higher open rate and 100.95%-higher click-through rate than their non-segmented counterparts.

