Audience Landscape Report

Direct Marketing to Beauty Buyers in the USA

Introduction

Marketers can choose from a plethora of media options when seeking to reach targeted consumers. These options range from traditional, measured media like TV and print, to channels like social, digital, search, as well as direct marketing - the subject of this report.

Direct marketing – e.g. email, direct mail and telemarketing - offers marketers one of the most efficient and precise methods of reaching their target customers given the many, very granular selection criteria available for targeting purposes. Direct Marketing also has the benefit of being one of the most measurable media channels available, offering very clear response rate tracking and reporting, something marketers increasingly value in today's omni-channel, attribution-focused marketing world.

This report covers available direct marketing audiences in the US, in this case, to reach beauty products buyers. Because the US is such an astonishingly prolific direct marketing data market, offering more than 30,000 separate consumer audiences and 20,000 b-to-b audiences – the analysts at Infocore frequently conduct in-depth research into audience sources to help marketers understand the scope of direct marketing audiences that are available.

There are 30,000 separate direct marketing audience sources in the US alone

Without this kind of comprehensive and in-depth digestion of available options, marketers run the risk of missing audiences that are likely to be highly responsive to their marketing messages and offers, losing sales and overspending on other tactics that don't perform as well.

Introduction

Defining Direct Marketing Data Audiences

A direct marketing data audience is defined, in the broadest sense, as a list of individuals and their contact information who share a specific set of attributes or activities that have been collected and codified into a database that can be re-sold for marketing purposes, with the proper consents from the data subjects to allow for this use.

Direct marketing data audiences are gathered in many different ways, including but not limited to:

- Buyers of specific kinds of products, both in-store and online
- Loyalty card holders
- Registered visitors to specific kinds of websites, including product research sites, content sites and the like
- Individuals who have filled out online surveys or have self reported health conditions, product interests etc.
- Individuals who have filled out post-purchase product registration cards
- Book buyers and magazine subscribers
- Charitable donors, political donors and those aligned with specific causes
- "Owner Data" such as homeowners, auto owners etc
- Compiled and modeled data sources which take known universes of consumers and add in dozens of demographic characteristics, yielding a prediction of which consumers are likely to buy specific products at a given time
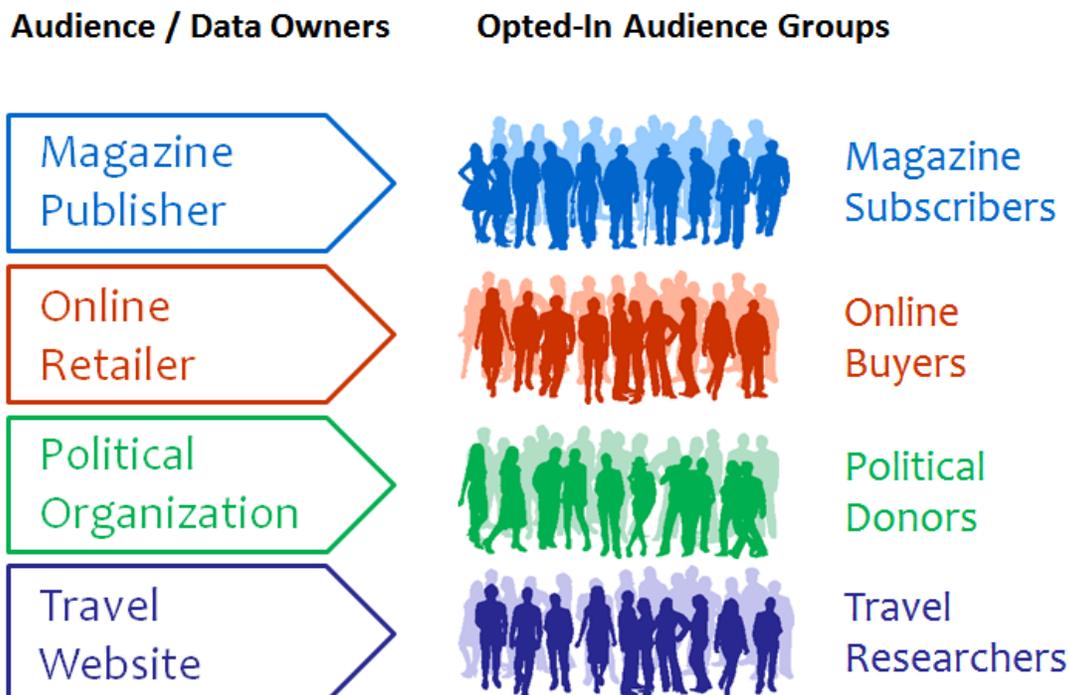
Each audience data source – consisting of a specific list of individuals – is generated from a unique combination of inputs, and contains its own combination of contact options that third party marketers can use to reach the individuals on their list: email, postal or direct mail and/or phone.

Introduction

Further, each source collects widely varying demographic details about the individuals on their list: age, income, gender, marital status, household composition, presence and age of kids, and many others, creating the selection granularity that marketers crave, which gives direct marketing its reputation for efficiency.

Finally, and perhaps most critically, each direct marketing Audience Data Owner has obtained specific forms of permission from the individuals on their list. These permissions allow the information they've collected about each person on their list to be contacted by third parties who are "renting" access to a specific slice of that audience.

This gives third party marketers the ability to select and reach out to these direct marketing audiences with full, legal permission, avoiding the fines and penalties associated with violating data privacy regulations.

Audience / Data Owners   **Opted-In Audience Groups**

Magazine Publisher — Magazine Subscribers

Online Retailer — Online Buyers

Political Organization — Political Donors

Travel Website — Travel Researchers

Research Approach

About this Report

This Audience Landscape Report examines the data available to marketers targeting Beauty Products Buyers in the United States.

Infocore's analysis of the US market uncovered a total of 107 separate "Audience Groups" with consumers that are ideal prospects for beauty marketers.

The Audience Groups selected for inclusion have high quality email and/or postal addresses, are known to be accurate and sufficiently detailed, and exhibit good data hygiene.

CATEGORIES

Within our set of Audiences we have identified 11 Categories into which consumers can be classified. The Categories represent various ways in which marketers might want to segment and select the consumers that are ideal prospects for their particular product.

CATEGORY INCLUSION

Sources can contain multiple Categories so the number of Sources by Category exceeds the number of Audiences. For example, one source may contain verified purchasers of both hair-care products and bath products. That source would be counted in both of those categories.
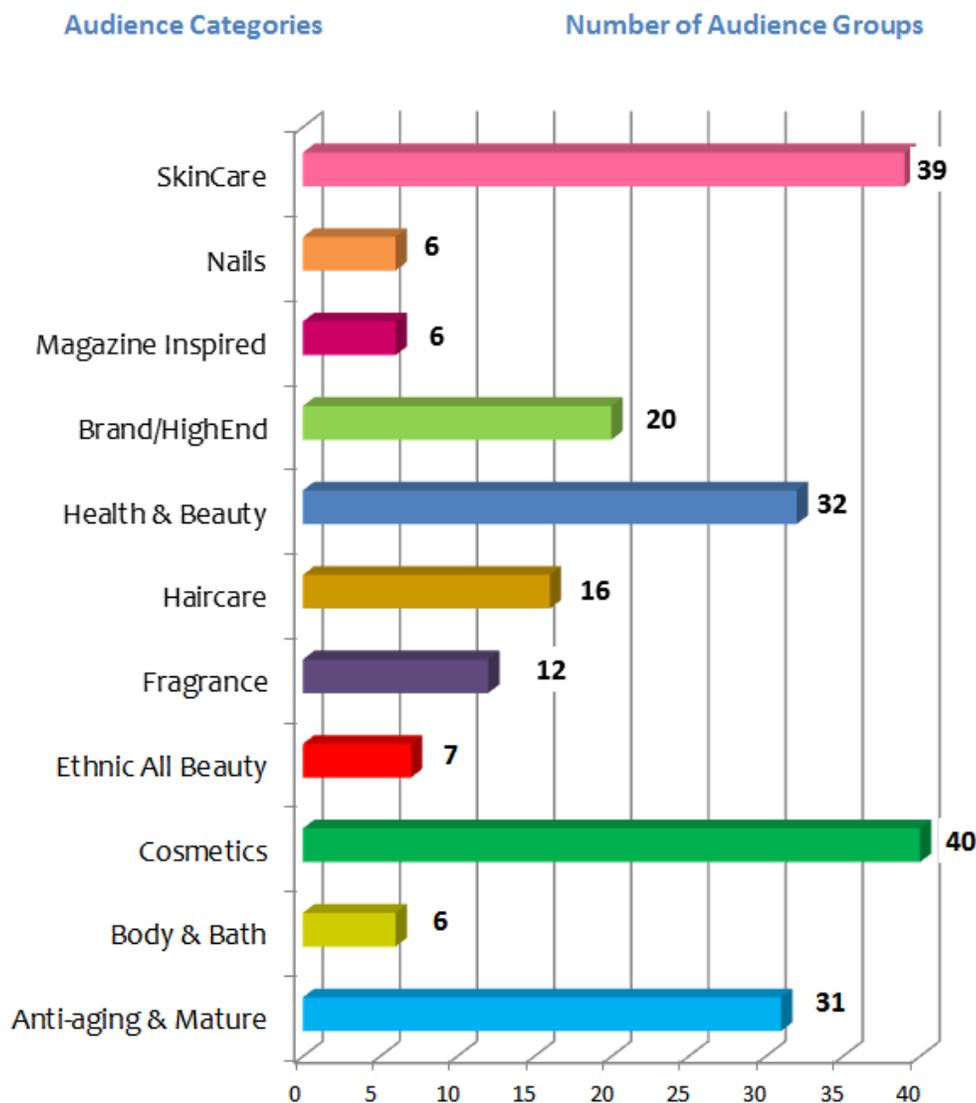
OVERLAP

The same individual may be included in more than one Source. As such, if one were to tally the total number of records from multiple sources, that total often represents a very large number, since there is often overlap between Sources. For example, a woman might subscribe to a beauty magazine, and she may also be in a source containing people who purchased from a bath and body products catalog.

Summary Stats

Audience Categories and Groups

After an analysis of available Beauty sources we selected 107 that are included in this report. Each source was examined to determine which category or categories it fell into. Some sources are limited to only a single product type while others contain buyers of various product types. Here we see that of the 107 included sources 6 contain data on buyers of nail polish. Cosmetics buyers can be found in 40 of the 107 sources.
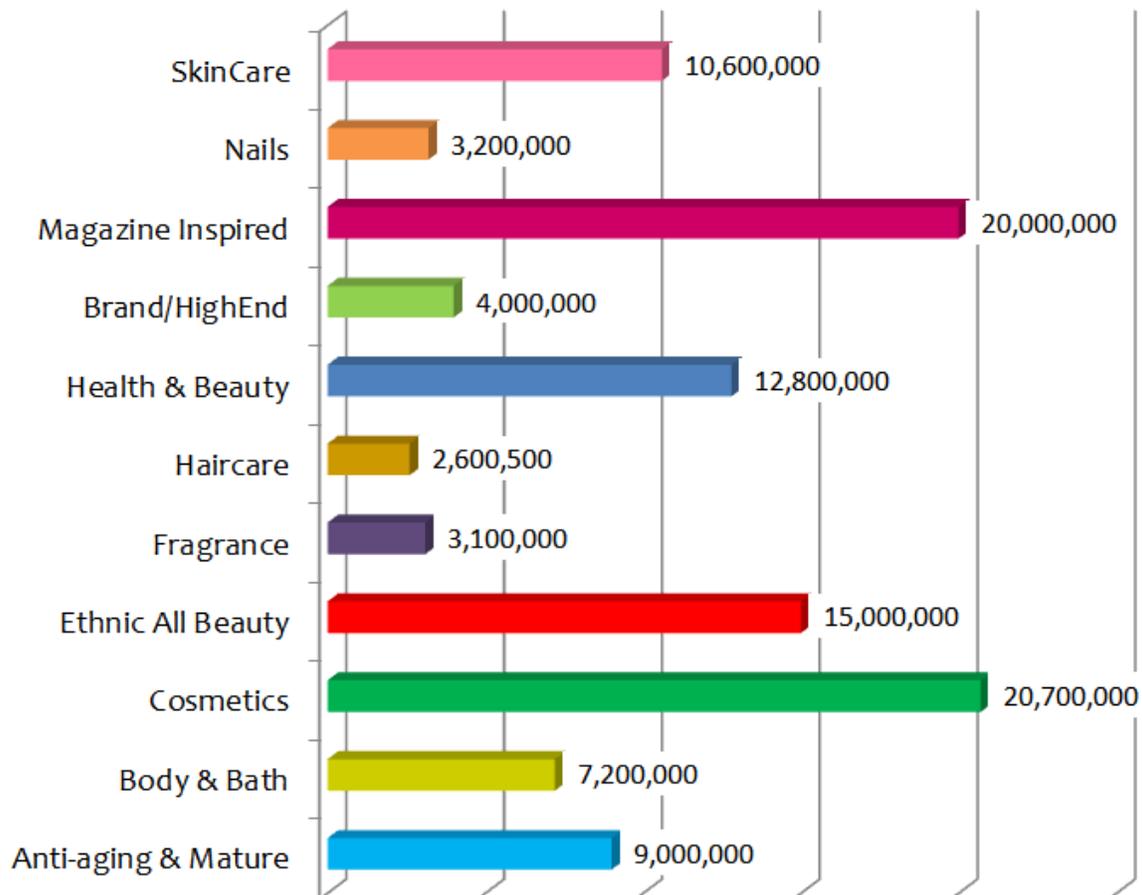
Audience Categories   **Number of Audience Groups**

Category	Number
SkinCare	39
Nails	6
Magazine Inspired	6
Brand/HighEnd	20
Health & Beauty	32
Haircare	16
Fragrance	12
Ethnic All Beauty	7
Cosmetics	40
Body & Bath	6
Anti-aging & Mature	31

Summary Stats

Maximum Audience Sizes

Maximum Audience Size offers perspective into the number of unique individuals in a particular category because it eliminates any possible overlap between sources. Overlap occurs when a person is in multiple sources - if they have, for example, purchased nail polish from 2 different catalogs.

A person many be in 2 DIFFERENT sources, but one source should not have duplicates of the same person. By looking at the number of individuals in one single, quality source we know there are at least that many unique individuals in a particular category.

Category	Maximum Audience Size
SkinCare	10,600,000
Nails	3,200,000
Magazine Inspired	20,000,000
Brand/HighEnd	4,000,000
Health & Beauty	12,800,000
Haircare	2,600,500
Fragrance	3,100,000
Ethnic All Beauty	15,000,000
Cosmetics	20,700,000
Body & Bath	7,200,000
Anti-aging & Mature	9,000,000

Channels

Postal and Email

Channels are the media through which the marketing message is delivered to the consumer. In this report we are looking at delivery via email and postal.

Because each source collects different types of data about their individuals, not every source has both email and postal mail available as a delivery method.

The table below shows the number of sources that offer email and postal channels within each Audience Category.

Audience Category	# of Audience Groups	With Email	With Postal
SkinCare	39	24	36
Nails	6	4	4
Magazine Inspired	6	2	6
Brand/HighEnd	20	5	20
Health & Beauty	32	16	31
Haircare	16	11	15
Fragrance	12	9	12
Ethnic All Beauty	7	2	7
Cosmetics	40	24	38
Body & Bath	6	3	6
Anti-aging & Mature	31	14	30

Selects

Targeting for Specific Attributes

Selects are a myriad of additional details that data owners collect about the individuals in their list. The type and number of selects varies widely , from 2 or 3 very basic things to an extremely granular set of 30 or more attributes. Selects let marketers home in on demographic details like age, income, gender, marital status, and ethnicity. Additionally, selects can include information about buying behavior, timing, preferences, and more.

The inclusion of certain selects is very specific to the category. For example, sources that deal with automotive shoppers often contain Lease End information. Knowing when a car lease ends allows auto marketers to deliver their message at the time it is most relevant to the consumer.

Some of the available selects in the 107 sources used in this report include, among others:

- ♦ Demographics
  Age, Gender, Ethnicity, Marital Status, Presence of/Age of Children, Income, Lifestyle & Interests, HomeOwner, Dwelling Type, Length of Residence
- ♦ Buying Behavior
  Credit Card Buyers, Online Buyers, Mail Order Buyers, Multi-Buyers
- ♦ Transactions
  Dollar amounts of purchases and types of products purchased
- ♦ Recency
  Recency is the time frame in which a purchase was made. Selects are common for 1 month, 3 months, 6 months, 12 months

Direct Marketing Process

## Executing an Email Campaign

Each individual who receives the marketing email has given consent, allowing Third Parties to contact them. The contact is always indirect - the Data Owner sends the message on behalf of the Third Party marketer, always keeping possession of the email addresses. Only the Data Owner has a permissioned relationship with the consumer.

The graphic below demonstrates the process for executing a Third Party email campaign.

In this example, the Third Party Marketer is a Beauty Brand and their Agency.

Infocore is managing campaign execution, which is a 3 phase process - Pre-Campaign, Production phase, and Post-Campaign.

The desired result, here represented by the dotted line, is for the consumers to open and click, and engage with the Third Party Marketer directly.
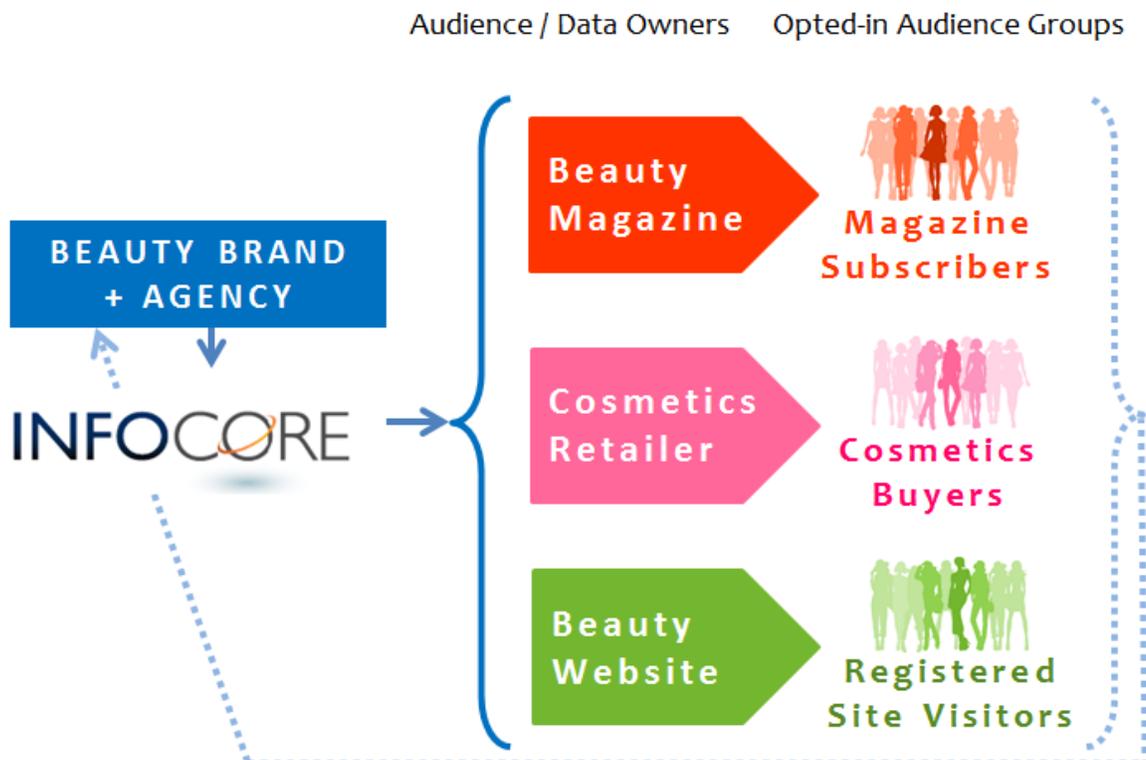
Direct Marketing Process

Data selection is part of the Pre-Campaign phase. This includes researching available Data Owners to locate high quality Audience Groups which best match the Brand's target consumer. In this case a Beauty Magazine, a Cosmetics Retailer, and a Beauty Website have been chosen.

The Brand and/or their Agency develop the creative to be deployed - usually an html email with numerous links back to the Brand's digital real estate.

That creative is distributed to the Data Owners who will be sending the email to the selected individuals. The creative is thoroughly tested and dynamically customized, which usually takes less than a day.

The final creative is sent by the Data Owners to the recipients who meet the marketer's criteria.

Because it is from the white-listed domain of the Data Owner, the consumer's email client accepts it. High quality sources deliver over 95% in-box placement rate.

> Only the Data Owner has
> a permissioned relationship
> with the consumer

A performance report is delivered to the marketer within 48-72 hours, detailing the total opens, clicks, and other specifics.

This approach lets the marketer reach completely new prospects with each campaign, and each prospect is explicitly qualified according to the marketer's criteria. If desired, the marketer can also "suppress" their existing customers from the recipient list to ensure that the message is only going to completely new prospective customers.

Finally, marketers can customize an approach to re-contacting these same consumers after that first email is delivered. Some marketers send a direct mail piece to consumers who open an email. Others follow up with those who click on a link via social or mobile. Still others will add in digital touches after the initial email contact.

Data Processing

Typical Data Processing Steps

Example of Opt-In and verification process

COLLECT DATA

Consumer file is compiled via 5,000+ opt-in content & destination websites, online publishers, data partners, co-registration

CONFIRM DATA

Each record must be confirmed by a minimum of 2 sources, and is verified against telecom files & directory assistance files

DATA HYGIENE

Scrubbed against internal & partner files, bounce files, DMA Do Not Mail files, deceased & prison files, NCOA, DPV, CASS, & ECOA

ENHANCEMENT

200+ demographic & lifestyle attributes are added to each record from data overlays, online & offline surveys, & telemarketing

RELEASE for USE

Make available for Direct Marketing and Append Projects

About

Infocore   www.infocore.com

Infocore is a global data sourcing and insights agency, serving Fortune 1000 marketers and their agencies in more than 150 countries around the world. Its blue chip clients use this carefully vetted data to power their customer acquisition and CRM initiatives, and to enrich their large customer databases with critical data elements and triggers, enhancing the efficiency and potency of their B2B and Consumer marketing activities.

In business for over 22 years, Infocore is a strong, profitable, well-known brand in the marketing data and insights industry, with a sterling reputation for service, precision, expertise and deep market knowledge.

As an acknowledged global expert in acquiring high quality data for US based multinationals, Infocore's current clients include Nissan, Mazda, Honda, Toyota, NetFlix, IBM, Microsoft, P&G, Dell, Disney, American Express and dozens more in the Tech, Financial Services, Automotive and Consumer products sectors. Infocore also works closely with some of the biggest agencies and customer analytics firms in the world, including Epsilon, Yes Lifecycle Marketing, TBWA Chiat Day, Hacker Group, Maritz, Garage Team Mazda, TeamOne, ASPEN, Ogilvy, RAPP and many more.

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