

A 2021 FSF Case Study in Marketing Analytics on

# UNITED COLORS OF

**Proposal for eliminating seasonal discounting and launching a digital marketing color-by-month e-commerce promotional strategy based on data metrics and conversion goals.**

 **BENETTON.**

# OUTLINE:

## REVERSING PROMOTIONAL BEHAVIOR

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# BRAND OVERVIEW

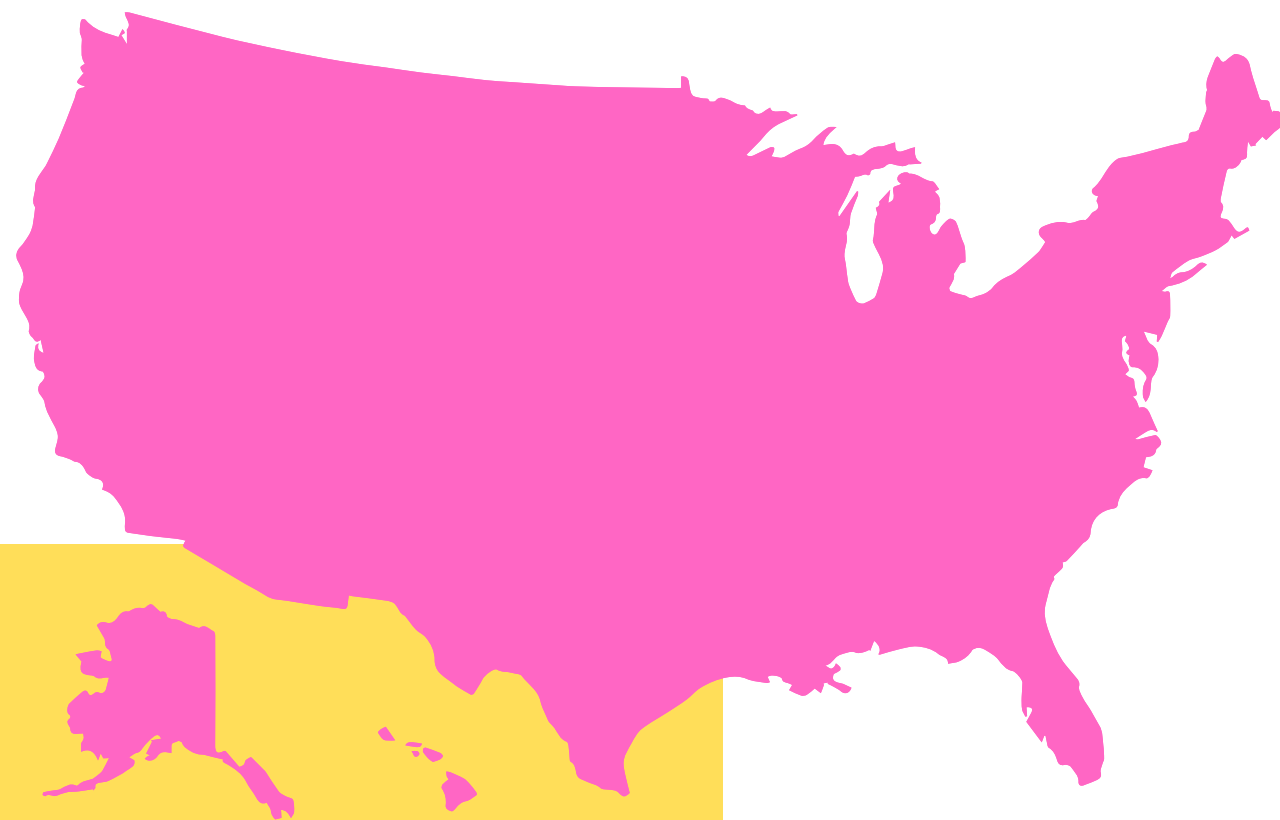
United Colors of Benetton (UCB) is an Italian fashion brand founded in 1965. The global retailer earned 1,148 million euros, or 1,356.16 million USD, in revenue in 2019 and competes in the strategic business areas of men's, women's, and children's apparel, accessories, shoes, swim, and home. **UCB is a lifestyle brand with a mission of celebrating freedom of expression and bringing joy and happiness to people.** The firm is owned by Edizione S.r.l., a holding company entirely controlled by the Benetton family. Benetton Group was publicly traded on the New York Stock Exchange from 1989 through 2012, and the firm's turnover and e-commerce metrics are available from Edizione and online traffic tools respectively (Edizione, 2020).

“**NUMBER ONE WE ARE ABOUT COLOR, BUT WE HAVE APPROACHED IT IN SO MANY DIFFERENT WAYS.**”

Creative Director, You Nguyen, to WWD (Wynne, 2013).

# US MARKET

United Colors of Benetton entered the United States in 1979. The company's national sales peaked the following decade as American consumers cherished the colorful designs. UCB historically used shock advertising but shifted to more traditional promotion in 2015. A reliance on discounting, combined with a struggle to connect with the US consumer, led to weaker performance in the following years. **As a cost-cutting measure, UCB closed all U.S. physical store locations in 2017** (Vembar, 2019).



**In October 2019, Benetton tested a pop-up location in Los Angeles to promote the launch of their new e-commerce offering, [us.benetton.com](https://us.benetton.com).** The website was restyled to maximize the online shopping experience, ease of use, and brand storytelling. In 2020, a "Inside" Benetton section will be integrated, providing a 360° immersion into brand and user generated content editorials (Benetton Group, 2019). **In 2019, 24.6% of UCB's global revenue was attributed to the Americas; the firm's e-commerce activity generated \$333.62 million in revenue** (Edizione, 2020).



# EXECUTIVE SUMMARY

This proposal examines profit improvement opportunities for the e-commerce site of United Colors of Benetton in the United States market. UCB does not have a physical retail presence in America; thus, brick and mortar will not be considered. The retailer follows a delivery and discounting schedule historically set by department stores (Sherman, 2020). **To generate higher margins, UCB will remove seasonal markdowns and break free from the industry's cyclical discounting.** Broad spectrum, site wide discounts train the consumer to expect price reductions and never pay the full retail cost again. A decade ago, these promotions spurred a downward spiral of discounts following the global financial crisis. **As the coronavirus pandemic urges retailers to offer discounts to generate cash and move inventory, UCB must implement a creative, targeted promotion strategy to boost revenue without the hurting brand image** (C. Hall, 2020).

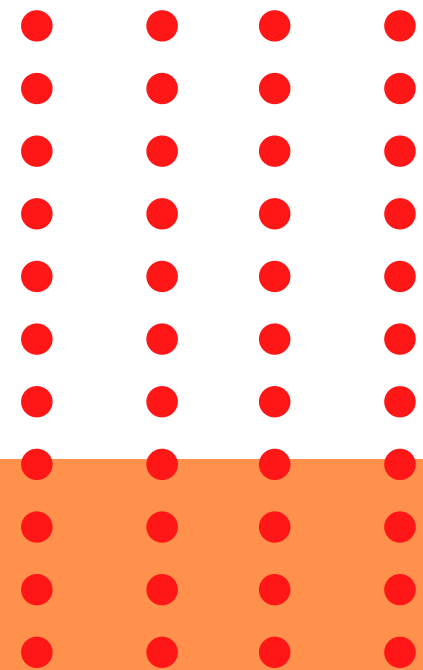
**This proposal outlines a targeted color-by-month promotional strategy that is recommended for immediate implementation.** This revenue growth program will be tested in the pure play, online channel of the United States with a target of millennial consumers. **By connecting colors to promotions, UCB will focus on its core values, be differentiated from competitors, and reinforce brand identity.** A Google Analytics account is critical to systematically measuring and benchmarking performance, as the platform collects data on user website interactions across all browsers, devices, and operating systems. The campaign will take place across advertising networks on Google Search and Facebook; these platforms dominate the digital advertising sphere and are imperative to a successful campaign. **A color-by-month campaign with an overall budget of \$333.6K will generate revenues of \$791.3K and a return on ad spend of \$457.7K alongside greater brand awareness, brand equity, and customer loyalty.** This promotional success will enable a future expansion of the color-by-month promotional strategy to a global audience and Benetton's network of dual channel operations.

# ELIMINATION OF SEASONAL DISCOUNTING

United Colors of Benetton operates on a traditional discounting model, marking down warm-weather apparel in May and forfeiting potential full-price revenue when the merchandise is still desirable. Retailers worldwide are questioning the validity of this irrational system where swim collections are offered in the winter and discounted in the summer (Sherman, 2020). UCB's observation of industry trends is currently visible online where Spring Summer 2020 merchandise is on sale for half price (Benetton Group, 2020). UCB and its competitors will begin discounting cold-weather apparel as early as November alongside Black Friday promotions. **Ultimately, seasonal discounting strategies reduce both sales time and margins, training shoppers to avoid buying goods in season because they can wait three months for a discount.**

“IN THE LAST LV COLLECTION, I DEBUTED THE IDEA OF COLLAPSING ALL MY SEASONS INTO ONE. I THINK IT'S IMPORTANT TO REMOVE THE IDEA THAT JUST BECAUSE IT'S LAST SEASON, IT'S DEVALUED.”

Virgil Abloh in discussion with Tory Burch, Gwyneth Paltrow, Antoine Arnault and Vanessa Friedman (Friedman, 2020)



COVID-19 has expedited consumer behavior trends toward value conscious purchases; customers are no longer buying new wardrobes seasonally and are instead making do with their current closet (C. Hall, 2020). Global brands cater to various climates and countries and removing seasonality will better align supply and demand. **All in all, seasonal product offerings and promotions do not resonate with the current cultural moment.**

Screenshot of UCB website.

SALE



4 colors



Short t-shirt with logo

**\$22.00** ~~\$44.00~~ -50%

# ALTERNATE STRATEGY: COLOR-BY-MONTH PROMOTIONS

**United Colors of Benetton should eliminate seasonal discounting practices and pivot to a color-by-month promotional strategy.** Color selection will coordinate with holidays, birthstones, or color trend forecasts from industry experts. The brightly colored campaigns related to this promotion will be salient, capturing the attention of the viewer. This unique strategy will generate interest in the company, which will lead to desire, and then action. Consumers associate colors with emotions and will inherently connect to this playfully persuasive advertising that will pull customers into the store (Solomon, 2013). **Color-by-month promotions offer the opportunity to advertise individual products while reinforcing the institution and image of United Colors of Benetton.**



**In February, red apparel from current and previous seasons will be marked down 20% at the start of the month; retail data company, Edited, suggests avoiding steeper discounts, as items marked down this percentage percent sell out faster** (Lieber, 2020). The 20% off of red apparel will be available until the end of the month. At the start of March, red apparel promotions will cease and 20% off of green clothing will begin.



# TARGET CUSTOMER

United Colors of Benetton's global target consumers include adult men and women, as well as boys and girls aged from 0 to 12. **For this promotional activity, the target audience will consist of millennials in the United States.** Americans value individualism over collectivism and will appreciate the unique promotional strategy differentiation.

Millennials were born between 1980 and 1994. This age cohort developed alongside technology and are savvy internet users who will be comfortable shopping Benetton's e-commerce offering (Solomon, 2013). This age group is delaying independence by living at home longer, holding off on starting a family, and remaining in the workforce. Thus, millennials have high discretionary incomes and will be inclined enjoy gratifying purchases such as apparel. Moreover, these customers are socially conscious, connecting with UCB's focus on transparency, sustainability, and diversity (Benetton Group, 2019).

**The following slides will explain the Google Ads and Analytics strategy for the "Color-by-Month Sale: Red February" with a focus on the women's sale assortment and target market.**

Screenshot of UCB Instagram.





# UCB CAMPAIGN PERSONAS



**ECONOMICAL ELISA:** Elisa is completing law school and working part time at a local coffee shop. In her spare time, Elisa likes to hit the closest thrift shop to bargain hunt for vibrant and versatile clothes. She used to run a small business modifying and upselling these garments to her close friends. Elisa is always on the go and expects her outfit to keep up! Thus, she wants durable, quality pieces that can be worn again and again. Elisa loves the holiday season for both the festivities and the end of year sales. When buying new, unused clothes, Elisa refuses to pay full price and always comparison shops online.



**OPTIMISTIC OLIVIA:** Olivia lives her life with the glass half full. This attitude permeates her dress, which is always filled with bright, happy colors. Located in Los Angeles working as a writer and vegan lifestyle blogger, Olivia loves to turn heads when she walks into a room and never leaves the house without accessorizing. Her favorite retailer is Alice + Olivia for not only the name but also the playful and eye-catching silhouettes. Olivia makes the most out of every day and plans to leave this planet better than she found it. Therefore, she is willing to pay extra for sustainable products and processes.



**STYLISH SYDNEY:** Sydney is an innovator, spending time on social channels looking for new trends and styles. Instagram is her go-to for discovering under the radar brands and products. Sydney's friends always ask for her opinion on where to shop and what to buy. She will speak highly of a brand that offers deals to loyal customers and loves a referral code. Key to her runway ready wardrobe is a rotation of basics that balance every outfit; Sydney maintains a t-shirt collection in all the colors of the rainbow. She hopes to expand into colorful jackets and sweatshirts this winter season.

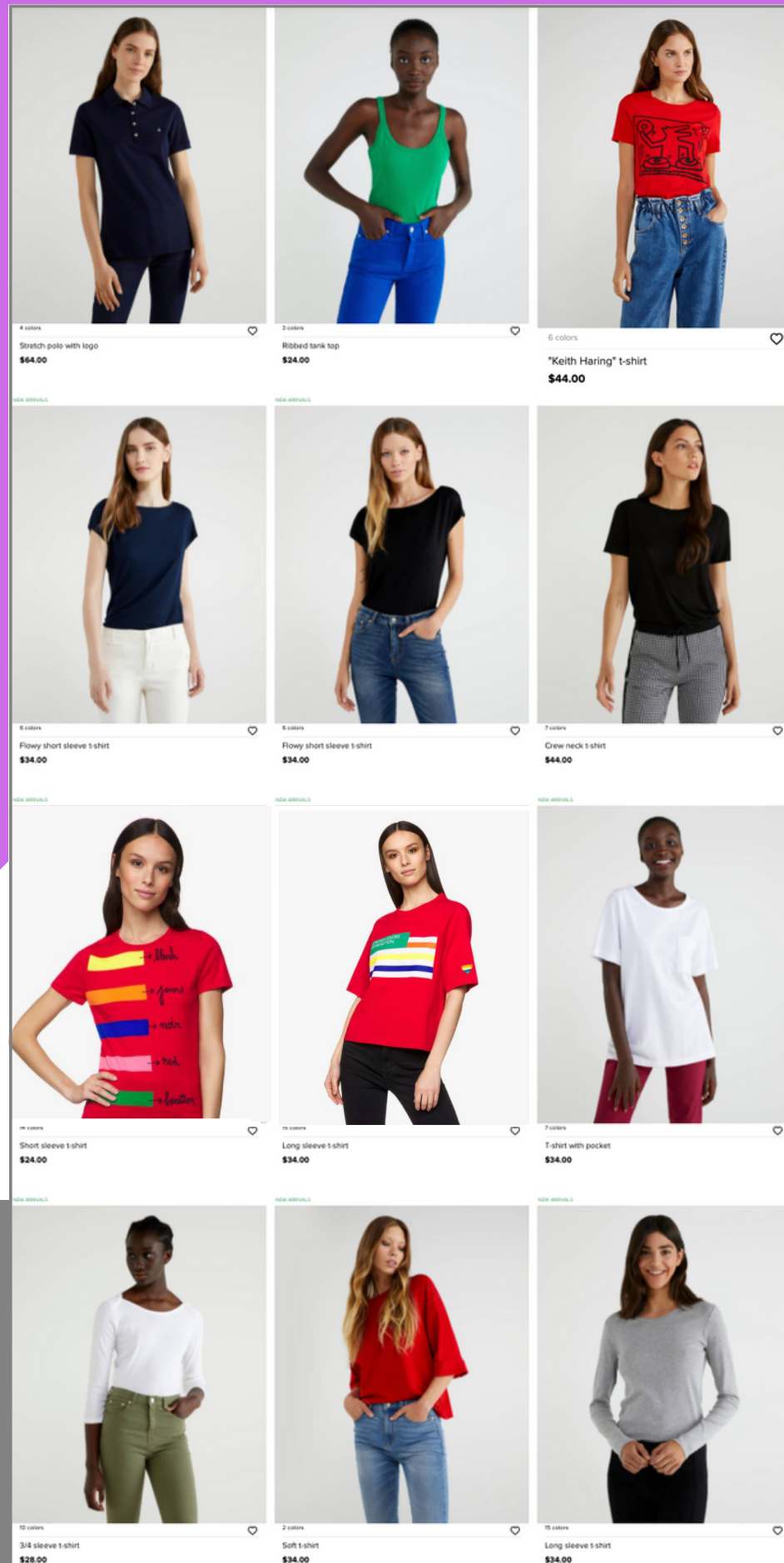


# DATA COLLECTION

**Color-by-month promotions will allow UCB to maintain their current product offering, as the firm's highest yearly sales volume is in versatile and functional products that can be restyled season to season** (Benetton Group, 2019). These staple items have more staying power than trend driven designs. The illustrated merchandise assortment of tops from the UCB website will be used to demonstrate the how data will be collected and effectiveness measured. For the February sale, the four red tops would be 20% off for the duration of the month. Beyond this promotional activity, the offering is unchanged.

A Java-script code from Google Analytics will be applied to the website code. When users load a page on [www.us.benetton.com](http://www.us.benetton.com), a hit will be generated. Hits can include page views, events, and transactions and are grouped into sessions in which users engaged with the site. Google Analytics combines hit data with user information, such as location, browser, interests, device, source, medium, and more. **Through Google Analytics, we can track customer behavior throughout the site.** We can also attribute credit to advertisements on social media or Google Ads that successfully initiated interest in shopping or purchase.

**The key performance indicators for the promotional activity include the conversion rate, total page views, bounce rate, and customer lifetime value.** UCB can utilize Google Analytics to set goals for these values during the campaign to measure success. The firm also can compare current metrics to historic site data or industry verticals for benchmarking (Google Analytics, 2020).



Screenshot of UCB website.

# BENCHMARKING

**Historic and competitor data will allow for the establishment of objective targets for each key performance indicator.**

Google Analytics offers aggregated industry data from other companies who share their data. For comparison with UCB, the industry vertical selected was shopping, the size of daily sessions was set to the default traffic (1000-4999 visits), and the geographic location was the United States. As the promotional campaign runs, monitoring performance to see if standards have been met is critical in order to take corrective action and recalibrate (Google Analytics, 2020).

## COMPARE TO HISTORICAL DATA

SimilarWeb Traffic Overview for us.benetton.com  
(SimilarWeb, 2020)

86.24K Visits Total

Average Visit Duration of 02:14

3.98 Pages per Visit

49.55% Bounce Rate

## COMPARE TO COMPETITORS

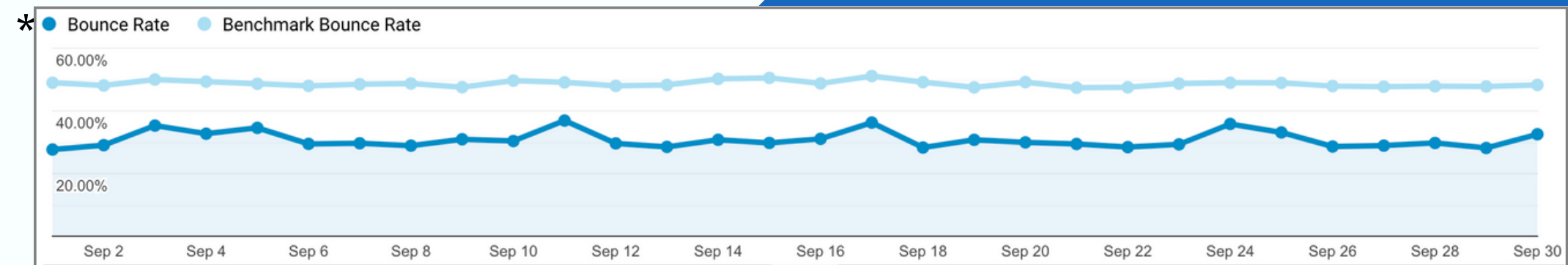
Google Analytics, Industry Vertical of All Shoppers  
(Google, 2020)

60.37K Visits Total

Average Visit Duration of 02:46

4.10 Pages per Visit

51.2% Bounce Rate



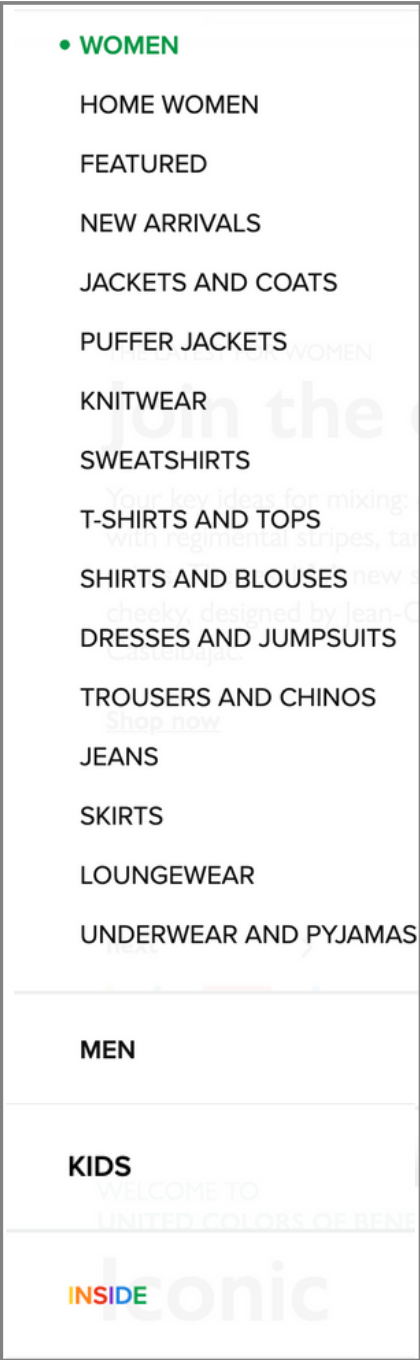
\*Projection of benchmarking bounce rate data from the Google Analytics Merchandise Store demo

# CORE FUNCTIONALITIES

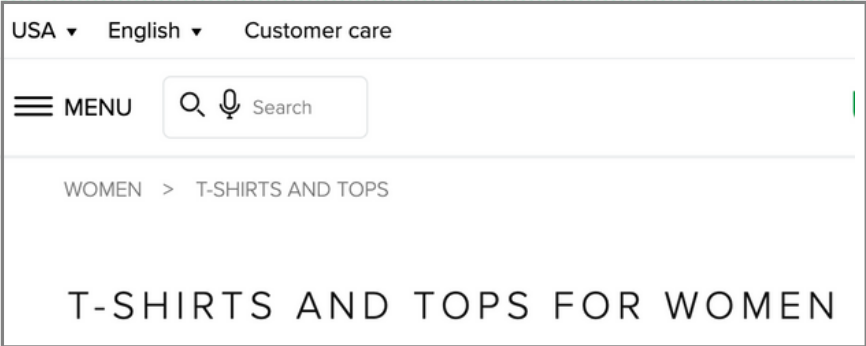
UNITED COLORS OF BENETTON.

The presence of a logo at the center of every webpage reinforces the company name on the website where the customer is shopping. When clicked, this logo brings the user back to the homepage.

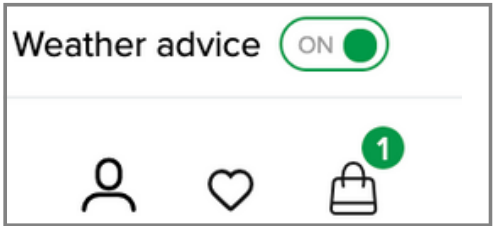
Screenshots from UCB website.



The header of the UCB site features the option to change the country and language settings and to contact customer care. The Benetton primary navigation menu is not immediately visible. The user must select the four black lines to navigate between men's, women's, and kid's product categories. Next to the menu lies the search bar, which is critical for users who have little time available to find their product of interest.

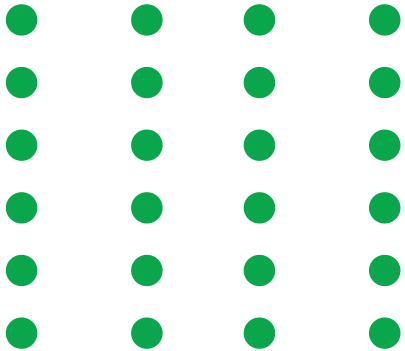


In the space below, grey text informs visitors of the route they took to reach the current page and where they are in the general structure of the site. Structural links within this display guide users to other product category pages.



The weather advice feature uses artificial intelligence to customize the user experience and curates the display based on the climate conditions of their location. Clicking the user icon leads to a sign in page; logging into an account is key to collecting information on consumer shopping habits.

The heart opens previously favorite items in a wishlist. This serves to remind users of the products in their consideration set and make the shopper more likely to add the goods to their cart and complete the purchase. The cart icon allows customers to start the checkout process. **As an e-commerce company, these are the most significant features of the website as they generate revenue or help to understand customer purchase behavior. Thus, these icons are located in the header and are present on every page.** Overall, the website is functional as it is easy to navigate, loads quickly, and communicates information effectively through attractive graphics.





# GOALS

Conversions Report, Goals, Funnel Visualization

User arrives on site generating the start of a session. Consider the traffic source to see which channel brought the user and what landing page is triggered.

## ACQUISITION

User views sale products and adds to cart. Remarketing will allow targeting of individuals that did not complete purchase.

## BEHAVIOR

User segments who completed their purchase can be compared with those who did not for further customer insights.

## CONVERSION

Goals measure how well the website fulfills target objectives. A goal is representative of completed activities, conversions, that contribute to the success of UCB's business. The core functionalities translate to event hits on the website that can be assigned as goals. Measuring the rate of completion is key to evaluating the site effectiveness. **UCB is an e-commerce website, so the macro goal is for a customer to complete checkout.** Through Google Analytics, a destination goal of the purchase completion page will be generated alongside a visualization funnel of the consumer journey. This illustrates actions that will bring customers closer to purchase, as well as where users drop out of the conversion process (Google Analytics, 2020).

**Elisa clicks ad, is carried to sale page, and immediately exits site.**

Conversion Rate: Unchanged because no transactions completed and session duration is considered to be zero.

Page Views: Number of views for landing page of sale offering increases by one.

Time on page: 0 seconds because no second interaction on site.

User: Number of users increases by one. System uses cookies to determine if new or returning.

Bounce Rate: Increases because user did not interact with page.

Customer Lifetime Value: 0 because cumulative average over 90 days.

**Olivia clicks ad, is carried to sale page, adds a product to cart, and exits without purchasing.**

Conversion Rate: Decreases because session initiated without any transactions completed. Funnel visualization will show exactly where the user dropped out of the conversion process (Billing, Shipping, or Review Pages).

Page Views: Number of views for landing page of sale offering, product, and checkout pages increase by one.

Time on page: Values provided for each page viewed.

User: Number of users increases by one. System uses cookies to determine if new or returning.

Bounce Rate: Decreases because user completed interactions within the website.

Customer Lifetime Value: 0 because cumulative average over 90 days.

**Sydney clicks ad, is carried to sale page, adds a product to cart, and completes checkout process.**

Conversion Rate: Conversion is attributed when user arrives on thank you page. Number of conversions increases by one and the percentage adjusts accordingly. Revenue attributed to campaign.

Page Views: Number of views for landing page of sale offering, product, checkout, and purchase completion pages increase by one.

Time on page: Values provided for each page viewed.

User: Number of users increases by one. System uses cookies to determine if new or returning.

Bounce Rate: Decreases because user completed interactions within the website.

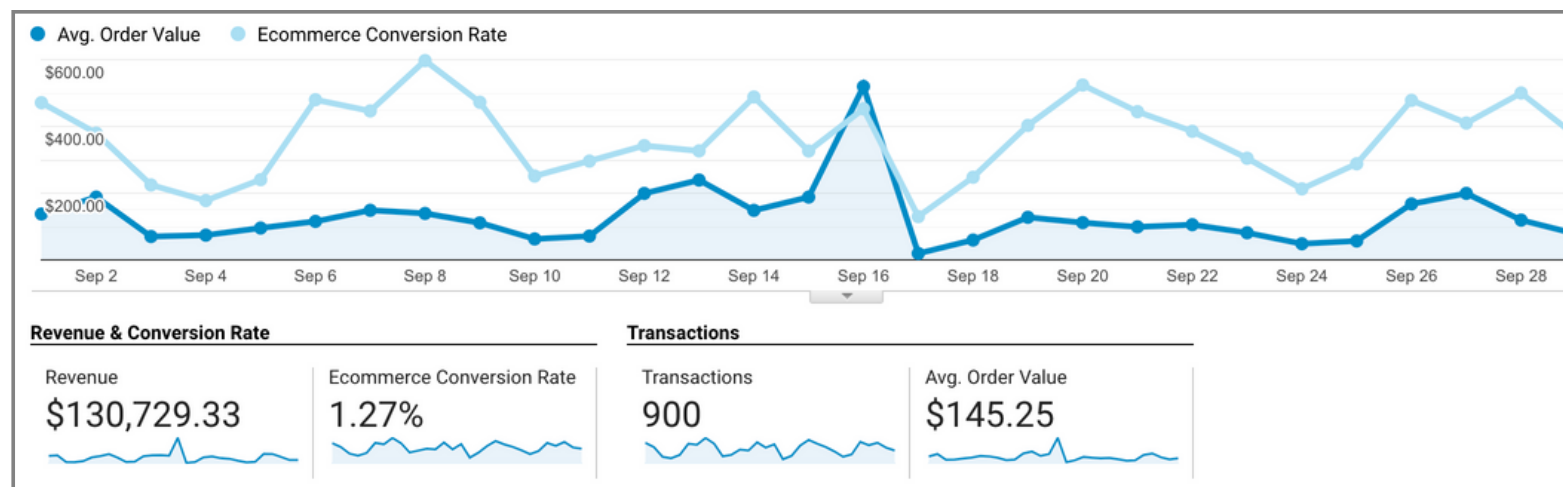
Customer Lifetime Value: Increases as goals completed, revenue, page views, and transactions were generated.

# CONVERSION RATE

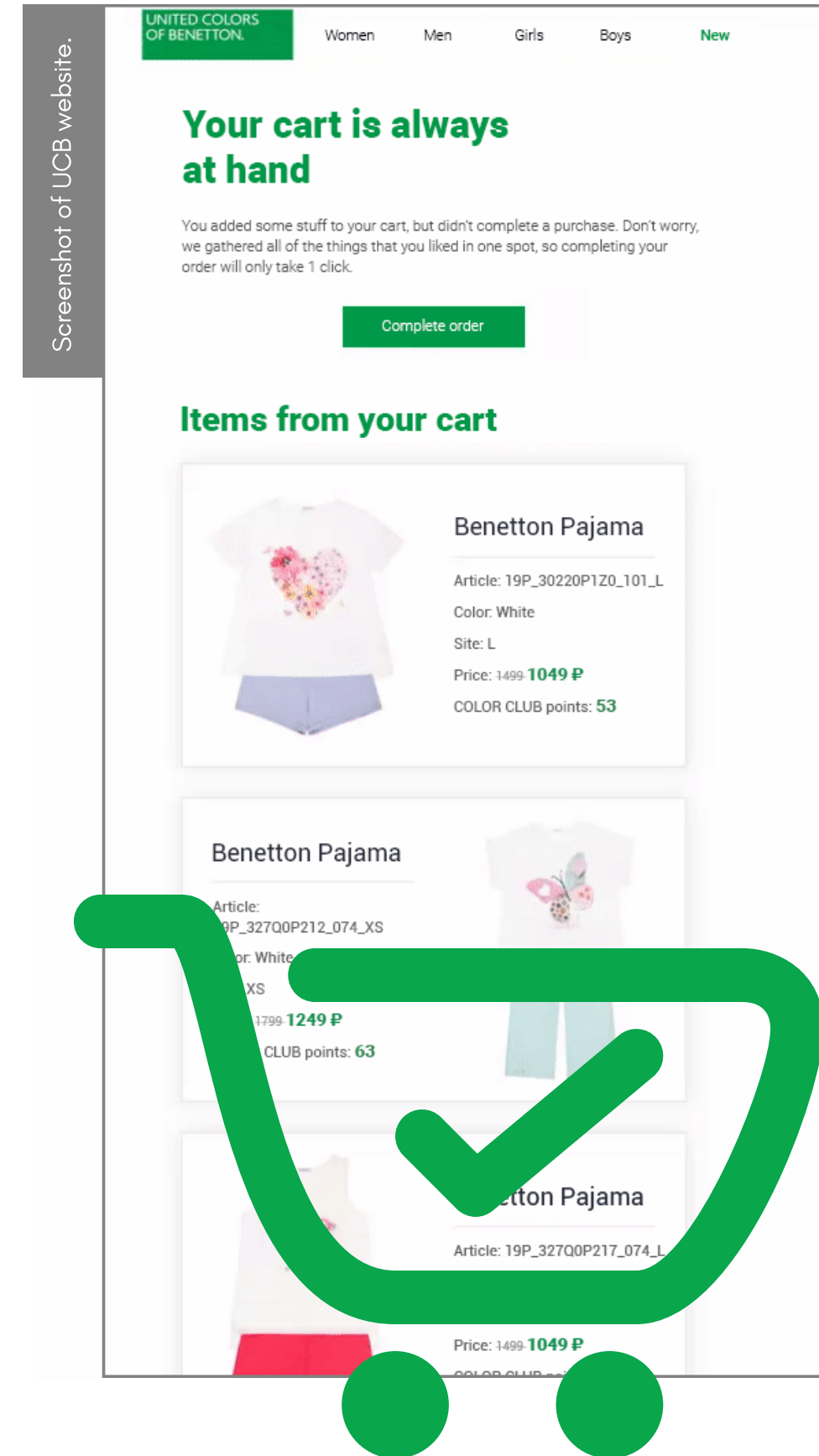
Viewable in Audience, Acquisition, Behavior, and Conversion Reports

The conversion rate is a measure of how many times the business goal was completed compared to how many times it had the potential to be completed. In this case, the conversion rate would be the number of transactions divided by the number of sessions in the e-commerce site. **Ultimately, the conversion rate illustrates how effectively UCB monetizes traffic to their website.**

\*



While looking at conversions, we can assign a monetary value to determine the benefits to the business. The average order value for the site would be the revenue divided by the number of transactions over a given period. This will illustrate how much customers are spending per purchase and the profitability of the site (Google Analytics, 2020).

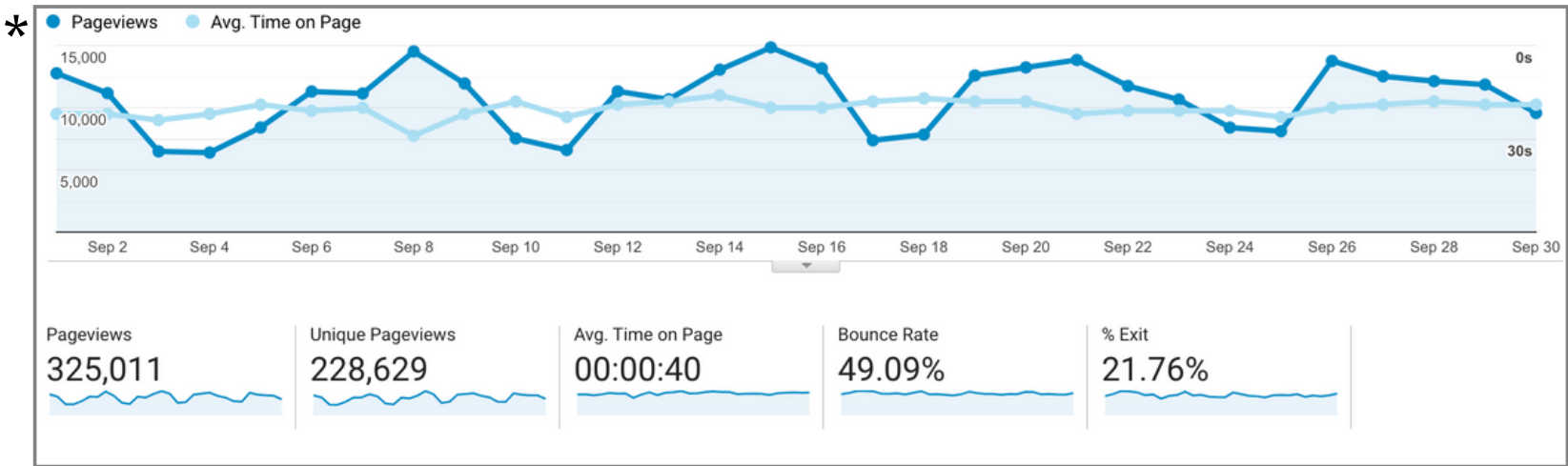


\*Projection of conversion data from the Google Analytics Merchandise Store demo

# PAGE VIEWS

Viewable in Behavior Report and through the Behavior category in the Audience Report

Page views are the total number of times a page is displayed, including repeated viewings of a given page by the same user. This structured data provides insight as to how people are engaged on the site. **Specifically, the frequency of sale page views is applicable to determine the impact of eliminating seasonal discounting and the success of the color-by-month strategy.**



To further understand shifts in the motivational intentions of the customer, we can look at the time-on-page. TOP is the average time spent from when the user first arrives on the website until the last page is loaded or until the session times out. The longer customers stay on the site or in the sale section, the more likely they are to make a purchase.

When examining views on the site, it is important to consider the type of user. Cookies enable us to determine if a user is new to UCB or a returning customer. This creates knowledge as to how audience loyalty is changing. Given that returning customers are more valuable, applying the second dimension of user type will show the top-performing pages for new and returning users in terms of views. **We can link returning users to their UCB account for further information about their purchasing habits on and offline and follow the consumer journey** (Google Analytics, 2020).

User Type ?	Acquisition			Behavior			Conversions <span>eCommerce</span>		
	Users ?	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?	Transactions ?	Revenue ?	Ecommerce Conversion Rate ?
	59,380 % of Total: 100.00% (59,380)	55,491 % of Total: 100.10% (55,435)	70,722 % of Total: 100.00% (70,722)	49.09% Avg for View: 49.09% (0.00%)	4.60 Avg for View: 4.60 (0.00%)	00:02:23 Avg for View: 00:02:23 (0.00%)	900 % of Total: 100.00% (900)	\$130,729.33 % of Total: 100.00% (\$130,729.33)	1.27% Avg for View: 1.27% (0.00%)
1. New Visitor	55,794 (86.31%)	55,491 (100.00%)	55,491 (78.46%)	51.43%	3.98	00:01:54	312 (34.67%)	\$27,115.51 (20.74%)	0.56%
2. Returning Visitor	8,849 (13.69%)	0 (0.00%)	15,231 (21.54%)	40.55%	6.84	00:04:06	588 (65.33%)	\$103,613.82 (79.26%)	3.86%

\*Projection of pageviews and user data from the Google Analytics Merchandise Store demo



# BOUNCE RATE

Viewable in the Behavior Report, Site Content:  
Landing Pages & Exit Pages

Bounce rate is the percentage of users who exited the site without any interactions or clicks. This metric serves as an indicator of acquisition success and the ability to meet customer needs. A high bounce rate is not desirable and shows that users' expectations were not met. **Given that UCB will want users to spend as much time as possible on the site, a low bounce rate is preferable and illustrates that customers are satisfied with their experience.** Monitoring the bounce rate of the sale page will inform UCB if customers are satisfied with the discounted offering or if it is turning away users.

Adding a second dimension of campaign or source will allow for examining the bounce rate of the landing page, or page where users first arrive. This shows if calls to action are attracting the right audience and getting them to engage.

\*

Page ?	Exits ?	Pageviews ?	% Exit ?
	70,719 % of Total: 100.00% (70,719)	325,011 % of Total: 100.00% (325,011)	21.76% Avg for View: 21.76% (0.00%)
1. /home	37,931 (53.64%)	89,031 (27.39%)	42.60%
2. /signin.html	2,538 (3.59%)	7,899 (2.43%)	32.13%
3. /google+redesign/apparel/men++s/men++s+t+shirts	2,356 (3.33%)	10,742 (3.31%)	21.93%
4. /store.html	2,211 (3.13%)	18,782 (5.78%)	11.77%
5. /basket.html	1,601 (2.26%)	17,796 (5.48%)	9.00%

Evaluation of the exit page will show where users are leaving UCB. Specifically, the company wants to know if users are leaving from the checkout or billing and payment pages to minimize exits that exclude purchase (Google Analytics, 2020).

Landing Page ?	Acquisition			Behavior			Conversions <div>eCommerce</div>		
	Sessions ?	% New Sessions ?	New Users ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?	Transactions ?	Revenue ?	Ecommerce Conversion Rate ?
	70,722 % of Total: 100.00% (70,722)	78.46% Avg for View: 78.38% (0.10%)	55,491 % of Total: 100.10% (55,435)	49.09% Avg for View: 49.09% (0.00%)	4.60 Avg for View: 4.60 (0.00%)	00:02:23 Avg for View: 00:02:23 (0.00%)	900 % of Total: 100.00% (900)	\$130,729.33 % of Total: 100.00% (\$130,729.33)	1.27% Avg for View: 1.27% (0.00%)
1. /home	57,236 (80.93%)	82.73%	47,353 (85.33%)	49.81%	4.42	00:02:10	612 (68.00%)	\$77,315.77 (59.14%)	1.07%
2. /google+redesign/apparel/men++s/men++s+t+shirts	2,835 (4.01%)	81.23%	2,303 (4.15%)	38.80%	6.14	00:03:14	35 (3.89%)	\$2,128.69 (1.63%)	1.23%
3. /google+redesign/brands/youtube/home	748 (1.06%)	98.40%	736 (1.33%)	44.12%	1.91	00:02:27	0 (0.00%)	\$0.00 (0.00%)	0.00%
4. /google+redesign/drinkware	681 (0.96%)	66.81%	455 (0.82%)	40.09%	5.94	00:03:32	11 (1.22%)	\$620.26 (0.47%)	1.62%
5. /google+redesign/bags	653 (0.92%)	66.92%	437 (0.79%)	42.88%	5.05	00:02:30	7 (0.78%)	\$593.18 (0.45%)	1.07%

\*Projection of exit and landing page data from the Google Analytics Merchandise Store demo

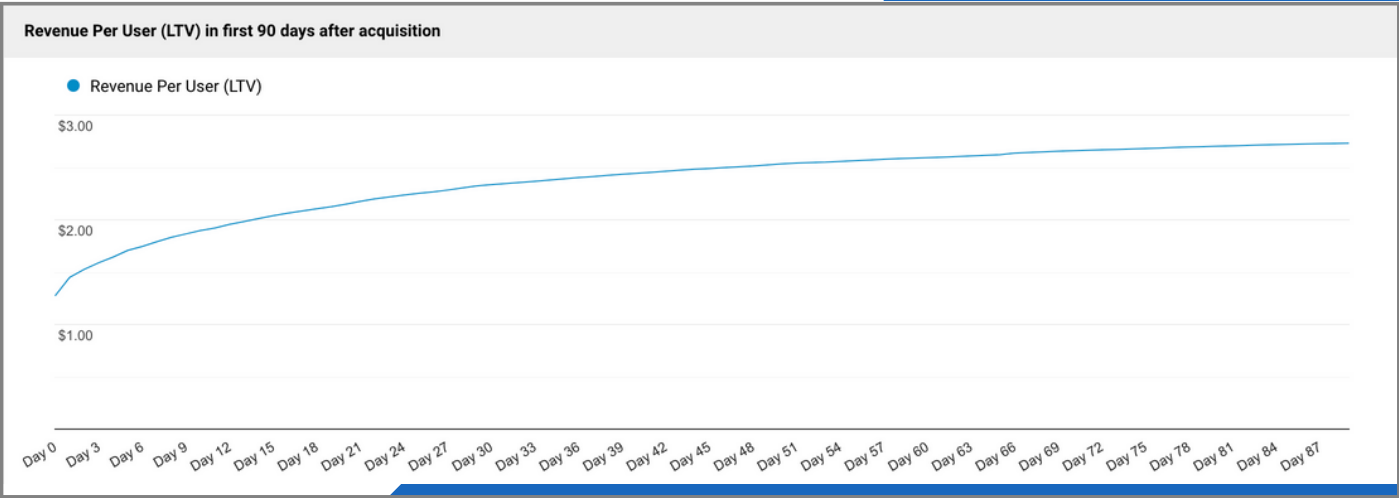
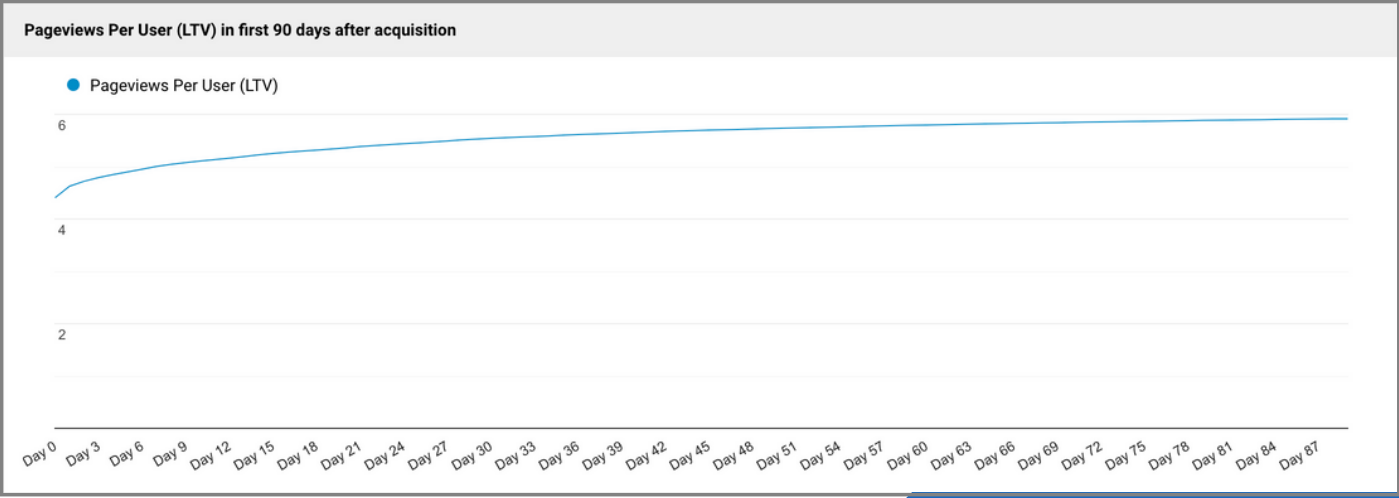
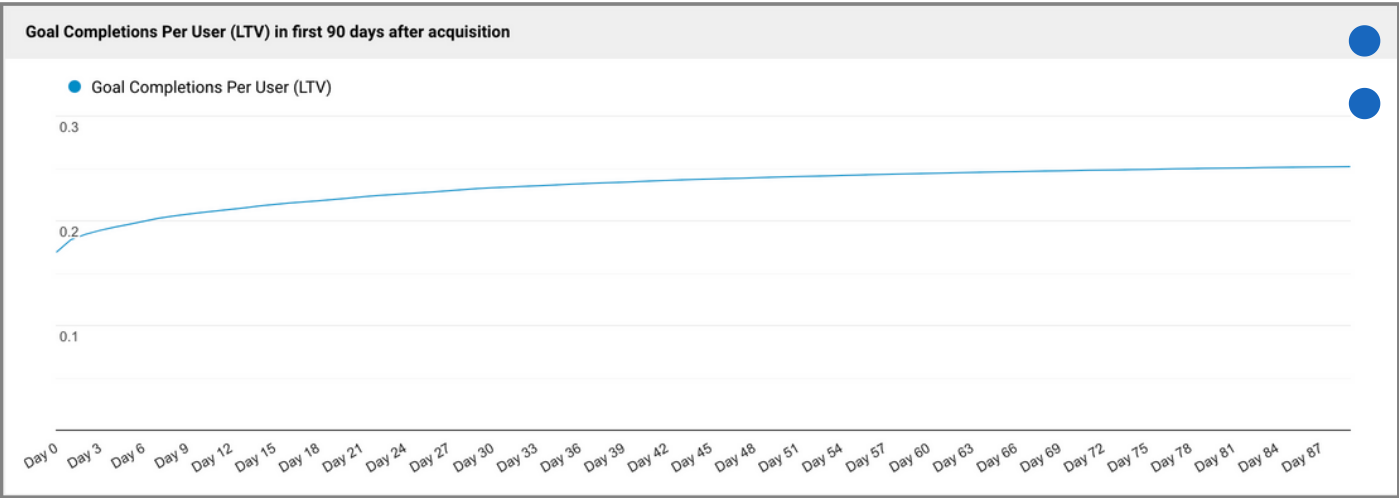
# CUSTOMER LIFETIME VALUE

Viewable in Audience Reports, Lifetime Value Report

The lifetime value report in Google Analytics can be considered based off of metrics including goal completions per user, revenue per user, page views per user, and transactions per user. Ultimately, the data is presented as a cumulative average per user in the 90 days selected.

**Examining users acquired before and after the new promotions were instituted will show if the shift is bringing in or turning away valuable customers**  
(Google Analytics, 2020).

\*



\*Projection of customer lifetime value data from the Google Analytics Merchandise Store demo

# CHANNEL STRATEGY



**GOOGLE SEARCH ADS:** The key value proposition of utilizing this channel is that the ads show up next to Google search results and on other Google partner sites when people search for products or services that UCB offers.

[https://us.benetton.com/?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=february\\_red](https://us.benetton.com/?utm_source=google&utm_medium=cpc&utm_campaign=february_red)



**FACEBOOK:** Facebook allows Benetton to create a brand community. Moreover, this platform targets ads to core, custom, and lookalike audiences. Facebook will help UCB generate relevant promotional content.

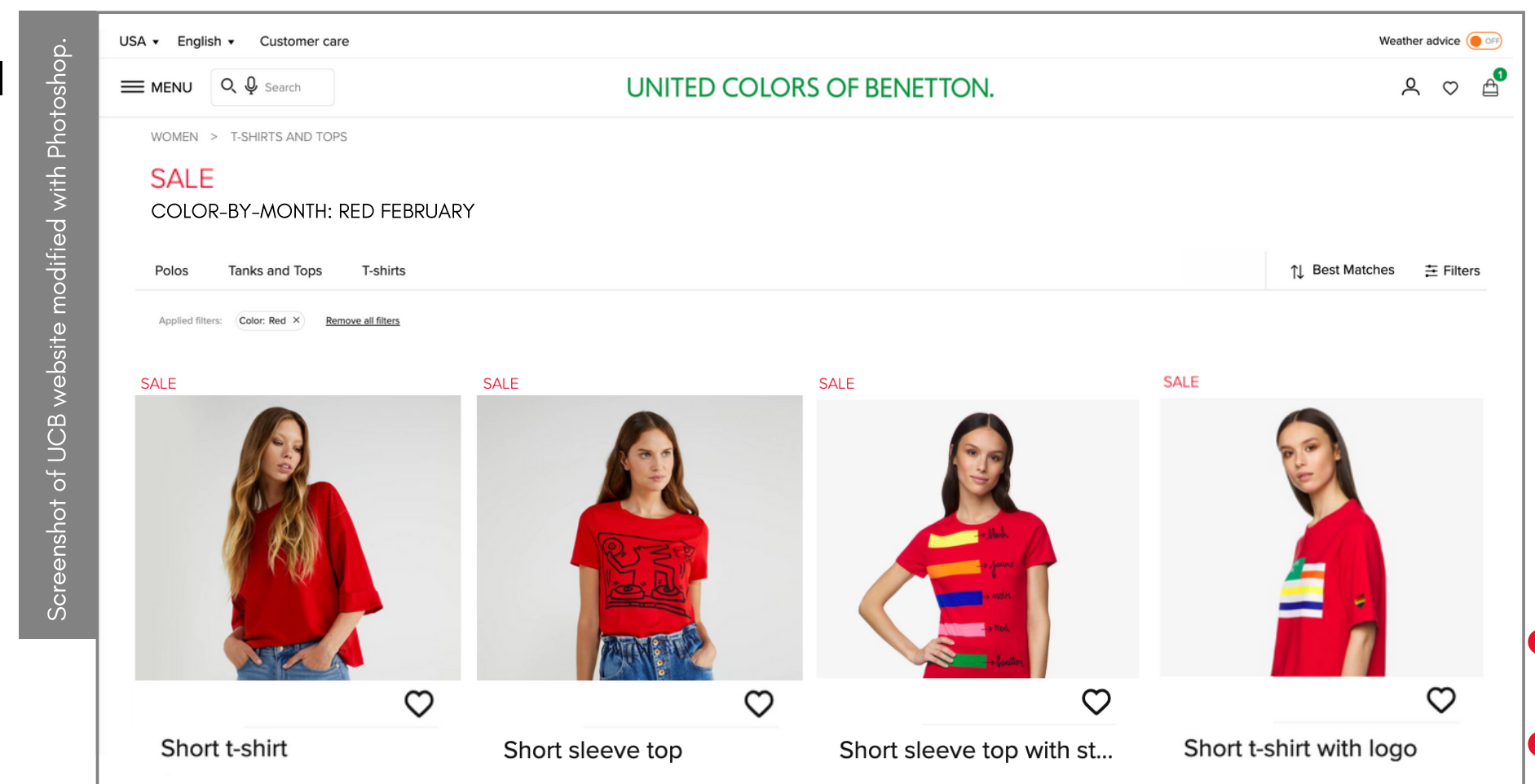
[https://us.benetton.com/?utm\\_source=Facebook&utm\\_medium=Facebook\\_Advertising&utm\\_campaign=february\\_red](https://us.benetton.com/?utm_source=Facebook&utm_medium=Facebook_Advertising&utm_campaign=february_red)



**INSTAGRAM:** Instagram uses the same platform as Facebook to offers the precise targeting and budgeting. However, this medium is far more visual and captures the customer's eye. Instagram offers influencer marketing, a referral tactic that is proven to generate direct sales.

[https://us.benetton.com/?utm\\_source=Instagram&utm\\_medium=Instagram\\_Advertising&utm\\_campaign=february\\_red](https://us.benetton.com/?utm_source=Instagram&utm_medium=Instagram_Advertising&utm_campaign=february_red)

The color-by-month marketing campaign will offer exclusive deals for red styles for the month of February and new color markdowns the following month. A potential landing page and assortment is pictured below. **This campaign will take place across Email, Google Search Ads, Facebook, and Instagram, with a landing page of "Color-by-Month Sale: Red February."** The URLs detailed for each channel are used by Google Analytics to track where each site visit originates and which generate the most conversions during the campaign.



# BUDGET

In 2019, UCB earned e-commerce revenues of \$333.62 million in the United States (Edizione, 2020). On average, retailers spend 10% of total revenue on marketing; this includes all costs for advertising, promotion and public relations such as employees, research, training, analytics, and overhead (Moorman, 2019). Thus, the assumption will be made that the budget for this single campaign is 0.1% of the marketing spend, or \$333,620 for the year.

Google maintains 94% of the global search market, as 70% of all online purchases start with search (Cramer-Flood, 2020). Therefore, it is imperative that UCB conducts search ads and appears when users are searching for the products the firm offers. Typically, over 40% of the budget is attributed to search (Cramer-Flood, 2020). **Given this assumption, the Google Ads campaign budget for the year is \$144,000.** This means the monthly budget will be \$12,000 and the daily budget is around \$400.

Facebook and Google maintain a duopoly over digital advertising, as the two brought in over 60.9% of US digital ad spending in 2019 (Perrin, 2019). These impressions create stronger brand awareness and image, leading to increased loyalty and conversions over time. Of the two, Facebook maintains 78% of display ad revenue and 38% of internet users aged 25-34 have purchased a product they discovered through Facebook or Instagram (Lipsman, 2019). This age group is representative of the target audience, implying that these social platforms are critical to conversions. **UCB should spend \$15,500 per month, or \$186,000 on Facebook advertising for the year, leaving \$3,620 to cover any unforeseen costs.**



# GOOGLE ADS CAMPAIGN

The primary goal of this Google Search Ads campaign will be to increase revenues for the e-commerce channel specifically. Given this goal, the Google Ads campaign will utilize a bid strategy of maximizing conversions. **Thus, Google Ads Smart Bidding will drive as much conversion volume as possible within the campaign budget and leverage exclusive signals at keyword auctions to offer an efficient bid that will generate profitable revenue growth.** Campaign devices will include desktop, tablet, and mobile to meet consumer expectations for seamless experiences. This campaign will run in the United States and can later be expanded and adjusted to meet the demands of the Americas, Asia Pacific, and European markets where Benetton offers online shopping. The plan involves the coordination of text ads that will run across the Google Search Network. Ads will be show for a seventeen-hour period starting at 6 am and ending at 11 pm every day of the week. The optimal strategy timing strategy is based on the schedule of the busy millennial target customer (Google Ads, 2020).



## PURPOSE

E-commerce revenue generation



## DEVICES

Desktop, tablet, and mobile

## TIME FRAME

Monthly ads



## SCHEDULING

6 am. – 11 pm. daily



# AUDIENCE SOLUTIONS

Customizing the target audience of the search campaign ensures that UCB's ads appear at the right bid, in the right moment, with the right message.

**Combining intent with insight through audience lists allows Google Ads to high value customers when they are ready to buy.** Showing useful and relevant ads to consumers meets their evolving expectations for a helpful, personal, and frictionless shopping experience (Google Ads, 2020).

**Affinity** audiences aggregates people who have demonstrated a strong interest in a given topic. The Google system can identify customers who are looking for bright apparel as colorful shoppers. UCB can layer the colorful shoppers affinity audience to the broad keyword targeting campaign to ensure the ad is seen by people who are passionate about vibrant clothing, thus, increasing the relevancy of the ad and the likelihood of conversion.

Through **in-market** audiences, Google's system identifies customers whose online activity indicates that they are in the market to buy. This is a powerful way to drive consideration among people who are actively researching colorful sale apparel with purchase intent. Targeting in-market audiences for bright basics will result in a higher return on investment.

The Director of Marketing can upload UCB's customer data to Google Ads through **customer match**. This will diversify the audience strategy by adding a tagless methodology and will target custom segments across devices. Customer match leverages on and offline data to re-engage customers based on their purchase history and lifetime value to the brand.

**Similar** audiences finds new customers who share the behaviors and characteristics of chosen audience segments. UCB can provide a seed list of previous sale customers. Google's system will score potential viewers based on similarity to the selected group. The resulting list will be interested in the same categories, topics, and products. UCB should generate a similar audience list and layer it to the campaign to reach valuable potential customers.



# KEYWORD MATCH TYPES

Ad groups are a collection of keywords and their ads; keywords are words or phrases that trigger the UCB ad to appear when the term is included in a users' search query. Thus, the selected keywords must be relevant to Benetton's business and be targeted towards terminology customers may use when looking for UCB products. Keyword selection is based on ad group themes, landing page content, and insights from Google Trends and Keyword Planner. Keyword match types shape how keywords prompt an ad, so that it reaches the most consumers possible. **Implementation of broad match and broad match modifiers keywords for each ad group will effectively enable UCB's text ads to appear as answers to users on Google Search.** Google offers Dynamic Search Ads which will use the platform's understanding of UCBs website to customize and target ads to increase the overall reach of the campaign. During the campaign, the Director of Marketing will monitor the search term report to identify new search terms with high potential and add them to the keyword list and refine match types for all keywords (Google Ads, 2020).

**1**

**BROAD MATCH:** Shows ads if any variation of the keyword is in the users' search terms, including misspellings, synonyms, and related searches. Broad match keywords show the new selection to the widest possible audience, ensuring that UCB does not miss out on any searches, and offering a better chance to be seen by potential customers. Broad match saves time by making exhaustive keyword lists unnecessary.

**2**

**BROAD MATCH MODIFIER:** The addition of a "+" in front of a keyword allows for the indication of certain concepts that must be present in a users' search query for the UCB ad to appear. Thus, the ad will not appear if one of the keywords is left out. Nonetheless, close variations of keywords will still trigger the campaign and additional terms can appear before, after, and between keywords.

# COLOR-BY-MONTH SALE: RED FEBRUARY

## KEYWORDS

### BROAD MATCH

Benetton sale  
Benetton women  
UCB sale  
UCB women  
United Colors of Benetton  
Colorful clothing  
February sales  
Valentines clothing

### BROAD MATCH MODIFIER

+red clothing sale  
+red tops  
+red bottoms  
+red skirt  
+red shorts  
+red t-shirt  
+Valentines day tops  
+Valentines day bottoms  
+Valentines outfit  
+sale women's clothing  
+red tops for women online  
+cheap red clothing  
+colorful sale tops  
+bright tops on sale  
+eye-catching tops  
+bright red dress

The promotion for February would involve the generation of dynamic Google Ads Search and Display campaigns around an ad group themed around that month's color.

Sample keywords and text ads for the red February sale are shown. UCB will link Google Ads to Google Analytics to monitor the campaign success through key performance indicators detailed in the measurement plan. Thus, consumers looking for colorful sale apparel on Google will encounter Benetton in their search results, translating user intent into business success (Google Ads, 2020).

Screenshot of ads generated through Google Ads.

### Color-By-Month Promotions | Shop 20% Off Red Apparel

**Ad** [us.benetton.com/Color\\_By\\_Month/Red\\_February](https://us.benetton.com/Color_By_Month/Red_February)  
Embrace Color & Shop February's Exclusive Red Sale Offering. Designed In Italy. Free Shipping On Orders Over \$50. Free Returns

### 20% Red Clothing All February | United Colors of Benetton

**Ad** [us.benetton.com/Color\\_by\\_Month/Red\\_February](https://us.benetton.com/Color_by_Month/Red_February)  
Share The Love This Valentines Day! Shop 20% Off Red Clothing All Month Long. Free Shipping On Orders Over \$50 & Free Returns.

# RETURN ON INVESTMENT

Clicks	Impressions	Cost	CTR	Avg. CPC	Daily Budget
16K	220K	\$12K	7.3%	\$0.74	\$410

Forecast numbers generated by creating the Campaign in Google Ads Keyword Planner. The cost and revenue generated would take place for the month of February (Google Ads, 2020). The cost and revenue projections should hold steady yearlong, despite the rotating color promotional text and keywords.

**Thus, the year long campaign will cost \$144,000, generate revenue of \$186,900, and a return on ad spend of \$42,900.**

The primary goal of the color-by-month ad campaign is e-commerce revenue growth.

**A projected click-through rate of 7.3% at an average cost per click of \$0.74 should generate 220K impressions and 16K clicks per month for UCB's website.**

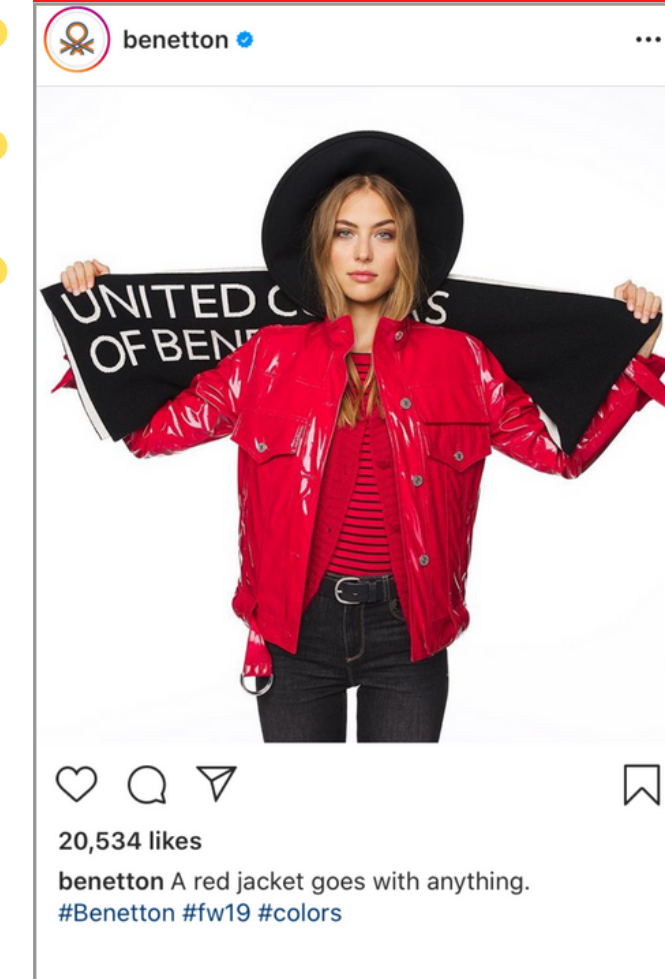
Utilizing a conversion rate of 2.77%, the industry average for apparel ads on the Google Search Network, the campaign is predicted to generate 445 transactions monthly (Bond, 2020).

The average cost of the current offering of sale tops from UCB is \$35. This will be considered the average conversion value for the campaign. **Thus, the expected revenue for the campaign is \$15,575 per month.**

**Given the campaign search ad budget is \$12,000 per month, the expected monthly return on ad spend is \$3,575.** For every dollar UCB spends on the color-by-month Google Search Ads, the firm will generate \$1.30 in revenue.



# SOCIAL MEDIA CAMPAIGN

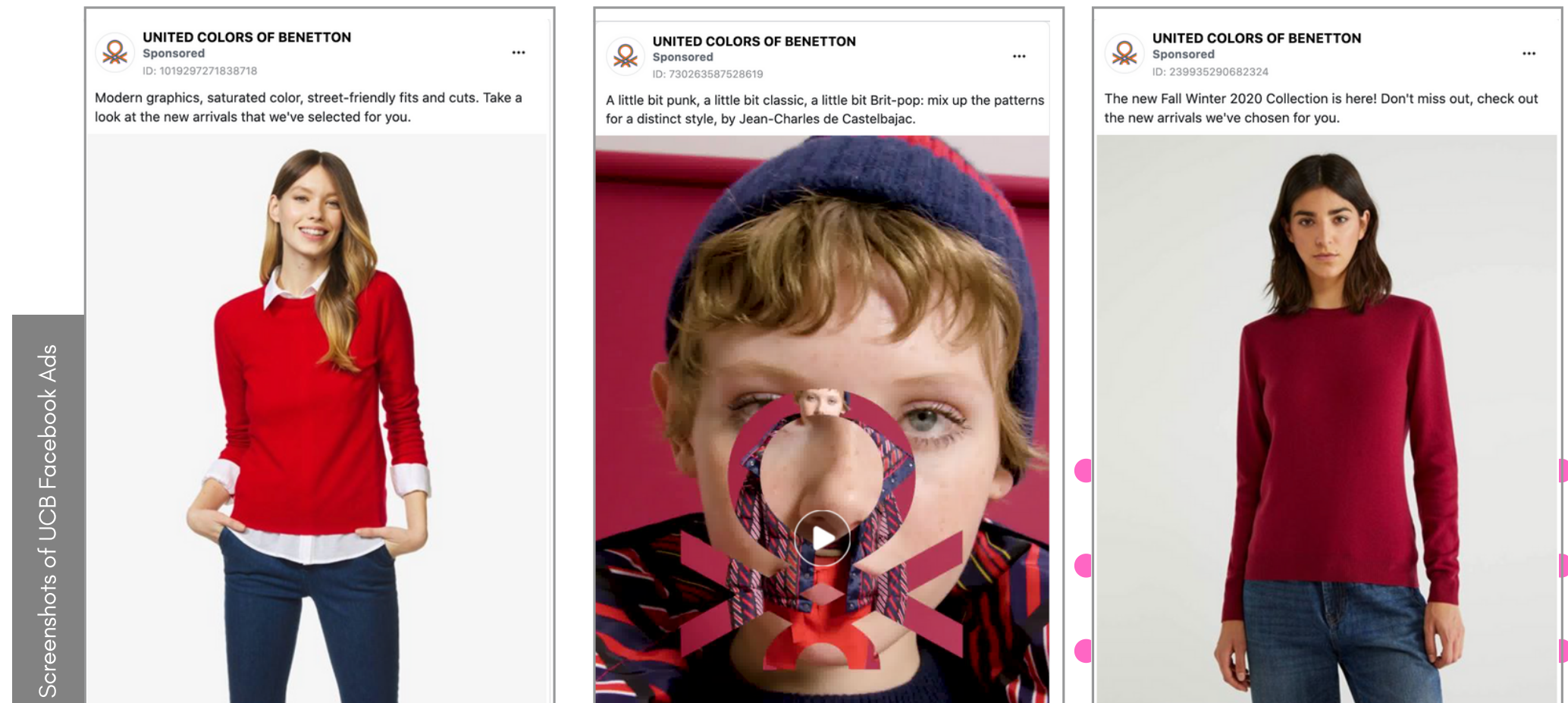


United Colors of Benetton outsources digital marketing to the agency R/GA London (E. Hall, 2020). The screenshots above from Instagram are representative of the type of campaign imagery UCB should post to promote the February's red color-by-month discount. **With 632k followers on Instagram and 6,383,102 on Facebook, these channels represent a market of potential customers that are already aware of the brand** (Facebook, 2020). The color-by-month promotional strategy will utilize this key opportunity to connect with technologically savvy Americans, particularly Millennials. Instagram will be used to target the younger end of the millennial customer base, given that the app is more popular with Gen Z. Facebook, on the other hand, will be utilized to target older consumers who do not interact with social platforms as often. Moreover, UCB should conduct sentiment mining across social media and blogs to determine any underlying effects of the elimination of seasonal promotions and customer opinion of new color-by-month incentives.

# FACEBOOK BLUEPRINT

Facebook Blueprint offers businesses the opportunity to reach potential customers across a network of social platforms and websites not available through Google Ads. The platform's data collection methodology works similarly to Google Analytics, as UCB will add a line of code to the website and Facebook's Pixel will track user activity from the ad through any interactions on the website, including conversions and events. **The color-by-month promotional campaign will use Facebook's conversion advertising objective to encourage Facebook and Instagram users to interact with UCB's social media posts, visit the website, and ultimately, purchase apparel.** Thus, UCB will use the cost per action bid strategy that aligns with the conversion goal. Ad placements will automatically occur across Facebook, Instagram, and Facebook's Audience Network of partner apps and websites, as UCB can create content on one platform and deliver it across others to maximize reach to relevant audiences.

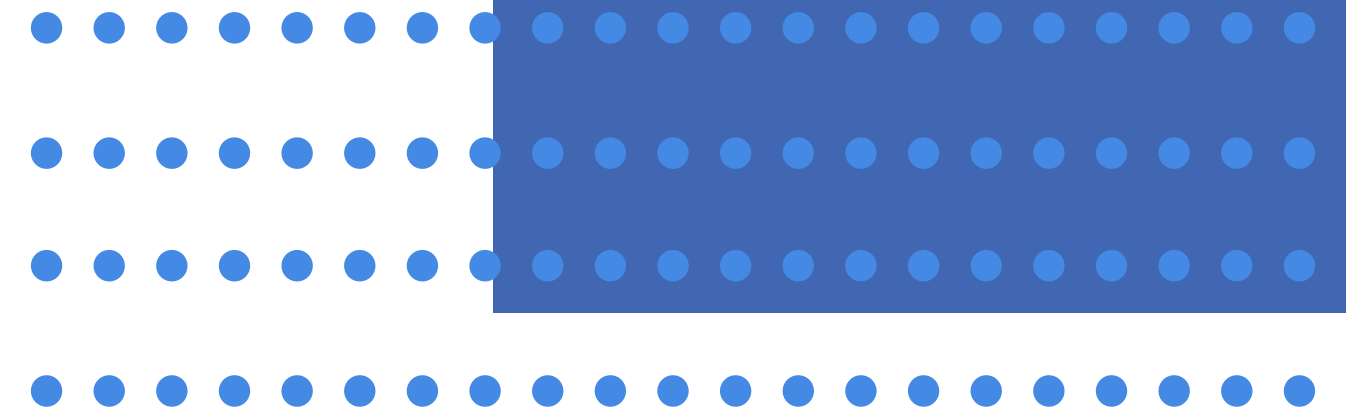
Facebook Blueprint features Campaign Budget Optimization which automatically and continuously makes the most efficient use of budget spend, resulting in the best overall results at a cost aligned with the bid strategy. Moreover, the firm will use standard delivery, so ads will appear to the target audience evenly throughout the day. This will use a default of discount pacing which decreases the bid level to just spend the daily budget of \$500 and maximize on opportunities captured at efficient costs (Facebook Blueprint, 2019).





# FACEBOOK AUDIENCE

## AUDIENCE



- 1** The **custom** audience is made up of a customer list of users who have digitally interacted with us.benetton.com in the past and may shop for clothes in the future.
- 2** The **core** audience consists of females aged 25-40 who regularly shop online. This group is located in the United States, graduated from college, and is both employed and a home owner. Interests include clothing, shopping, music, art, travel, nutrition, and cooking.
- 3** The **lookalike** audience includes users similar to the core audience who may share some similar demographics but do not fit the full profile.

**Facebook utilizes people based marketing, targeting specific custom, core, and lookalike audiences that correspond to Facebook users.** Beyond these defined audiences, UCB will implement targeting expansion, allowing the platform to automatically adjust interest-based targeting to reach more people when they are predicted to generate results aligned with the bid strategy. Facebook maintains user privacy and security; UCB will not be able to identify individual persons within the audience, solely the audience group as a whole. (Facebook Blueprint, 2019).





The advertising objective for the Facebook color-by-month campaign is conversions. With a monthly budget of \$15,500, the cost per action is \$10.77. The cost and revenue projections should hold steady yearlong, despite the rotating color promotional text and keywords. **Thus, the year long campaign will cost \$186,000, generate revenue of \$604,380, and a return on ad spend of \$418,380.**

Prior to launching the Facebook campaign, UCB should perform A/B testing to evaluate different versions of the advertisements and determine what works best to achieve the campaign goal of conversions. A/B testing shows which ad produces the lowest cost per result. At confidence levels above 75%, the winning ad is always optimal (Facebook Blueprint, 2019).

## FACEBOOK ROI

The average cost per click on Facebook ads for the apparel industry is \$0.45 (Bond, 2020). **With a monthly budget of \$15,500, UCB can afford 35,000 clicks.**




The average FB click through rate of the apparel industry is 1.24% (Bond, 2020). **Given that UCB can afford 35,000 clicks, the campaign will generate over 2.8 million impressions.** Thus, the cost per million impressions is \$5.49.

Utilizing a conversion rate of 4.11%, the industry average for apparel ads on Facebook, the campaign is predicted to generate 1439 transactions (Bond, 2020).

The average cost of the current offering of sale tops from UCB is \$35. This will be considered the average conversion value for the campaign. **Thus, the expected revenue for the campaign is \$50,365.**

**Given the campaign Facebook budget is \$15,500, the expected return on ad spend is \$34,865.** For every dollar UCB spends on the color-by-month Google Search Ads, the firm will generate \$3.25 in revenue.

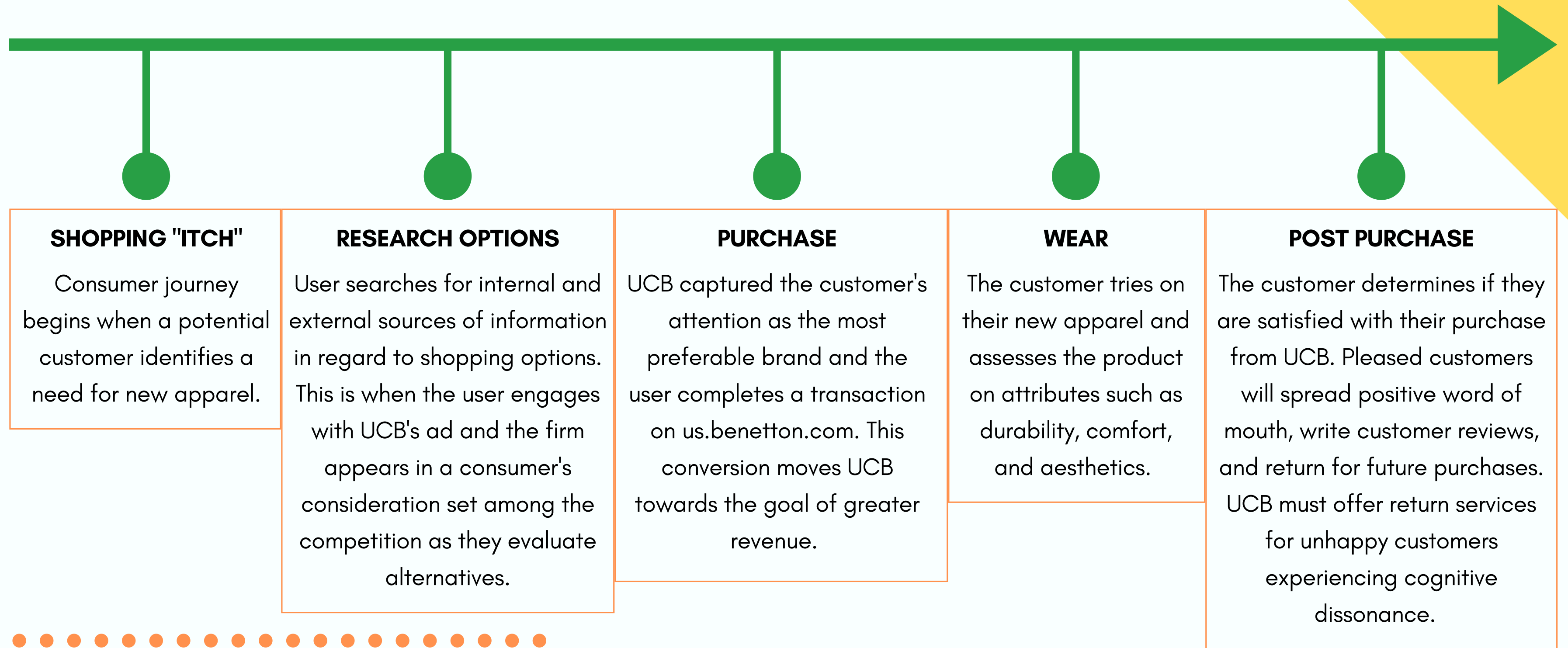
# EFFECTIVENESS

	Monthly Budget	Monthly Revenue	Monthly Return on Ad Spend	Yearly Budget	Yearly Revenue	Yearly Return on Ad Spend
	\$12,000	\$15,575	\$3,575	\$144,000	\$186,900	\$42,900
	\$15,500	\$50,365	\$34,865	\$186,000	\$604,380	\$418,380
	\$27,500	\$65,940	\$38,440	\$330,000	\$791,280	\$461,280

The color-by-month campaign combined with stronger social media advertising will build upon the UCB strategy of colorful, seasonless clothing. **This alternative promotion strategy is based on key brand characteristics and will make United Colors of Benetton the prototypical brand for colorful clothing.** The term color in the company name provides an ease of attribution that UCB is representative of colorful apparel, thus, in consumers' consideration set and top of mind for brand recall.

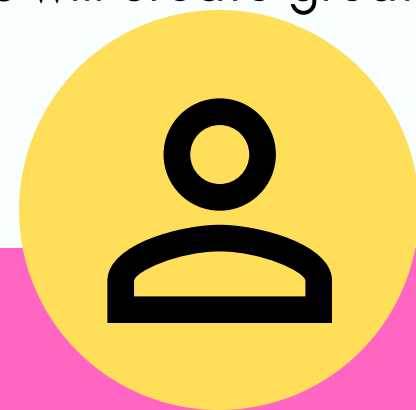
By demonstrating February activities, \$15,575 is expected to be earned in transactions attributed to Google Ads and \$50,365 from Facebook for the month. The campaign will run throughout the year, with the corresponding color for the 20% off discount on apparel changing monthly. The twelve month long campaign on the Google Search Network will cost \$144,000, generate revenue of \$186,900, and a return on ad spend of \$42,900. Likewise, the campaign on Facebook's family of apps and websites will cost \$186,000, generate revenue of \$604,380, and a return on ad spend of \$418,380. **Overall, UCB will spend \$330K on the color-by-month campaign to generate \$791.3K in incremental revenue and a net contribution of \$461,280. The concept of a color-by-month promotional strategy aligns with the UCB brand identity, offering greater overall awareness and competitive advantage within the market.**

# CUSTOMER JOURNEY



# NEXT STEPS: REMARKETING

The Chief Strategy and Analytics officer will monitor the color-by-month promotional strategy throughout the year. Key performance indicators include the conversion rate, total page views, bounce rate, and customer lifetime value. These metrics must be viewed using Google Analytics and Facebook Pixel. The marketing team will learn more about the campaign performance as it runs and can make adjustments and optimizations accordingly. Moving forward, UCB can implement emails as alongside the Facebook and Google Ads remarketing ads already in place. Remarketing uses cookies to generate an audience that has looked at the sale page or viewed that month's colored products or filters (ie. red products and used the red color filter) while shopping online at us.benetton.com. Email is a high converter and UCB can implement automated sales cadence to only email customers at specific points in the purchase journey to prevent email inundation. **Thus, event tracking, such as cart abandonment, will serve as a behavioral trigger and email, social media, search, and display ads for the promotional product will follow the user around the internet, retargeting ad content more precisely and resulting in increased conversions.** Remarketing serves as a vehicle to keep UCB in forefront of consumers minds when comes to apparel shopping and realize repeat purchases and customer lifetime value. Given that customers viewing remarketing ads will have previous experience with UCB, the increased frequency of exposure to UCB branding and products will create greater perceptual fluency and ultimately positive habituation and response linking (Solomon, 2013).



VISITOR



WWW.US.BENETTON.COM



VISITOR LEAVES



UCB AD

VISITOR RETURNS TO UCB WEBSITE





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Screenshots of UCB Instagram

UNITED RAINBOWS  
OF BENETTON.

