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# Behavioral Targeting

Customer specific offerings at the right moment

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# Management summary

Including the main conclusions and recommendations





## Research definitions and goals

- › Behavioral Targeting (BT) is a marketing method that is often used on the internet aimed at delivering the right message to the right customer at the right moment in time, which is based on purchase behavior and other customer behavior.
  
- › The goal of this research is to create an overview of BT regarding:
  - How advanced are corporations in their use of BT?
  - How do consumers respond to BT?
  
- › For this study we used literature research and:
  - Interviews in 3 industries: financial services, telecom and retail.
  - Research among 2.000 consumers within these industries.



# Behavioral Targeting research reveals advantages and disadvantages for companies and customers

## Companies

+ More transactions  
 Loyalty

- Reputation  
 damage



## Customers

Relevant offer +

Intrusive offer -



# Retail corporations are more advanced in BT than financial services and telecom organizations

- > Because of competitive forces, the shift from offline to online and the high quality of systems and customer data, retail organizations' BT is more advanced.
- > Financial services organizations are the least advanced in BT, because of legal restrictions and fear for reputation loss caused by potential privacy problems.







## BT is applied to existing customers, not prospects

- > Corporations only apply Behavioral Targeting to potential customers/prospects when there is specific information about prospects, or – on the other hand – when there is no information available about the current customers.
- > All corporations we interviewed have strategic plans to develop Behavioral Targeting further on short term.



## Emotional consumer reactions on BT

- › Behavioral Targeting triggers consumers' emotional reactions and influences purchase intentions.
- › Whenever the data used for BT include more customer insights, negative emotions grow stronger. This effect is very strong when information from social networks is explicitly used.
- › In the financial services industry the negative reactions are compensated by the relevance of the offer. In the telecom industry this is not the case.





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# Introduction

Definition, goal, (dis-)advantages

