

# The Power of Good Data

Chegg uses Adobe retargeting and optimization to increase reach and identify high lifetime value students.



- **2x** increase in lifetime value of target customer segment
- **22%** lower cost per acquisition
- **80%** match rate between first- and third-party data

*“AAM Data Management with Adobe Media Optimizer enables us to reach a higher value audience at a lower cost. We now know more about our students and their needs, and have since seen a 2x increase in lifetime value by defining our ideal student group. Our CPA has improved by 22% as well.”*

Gary Tsang, Marketing Director,  
Chegg

## The Customer

### The popular one in class!

Chegg, a young California based company, started as a website for textbook rentals. It gained quick popularity among students who did not see the value in buying textbooks outright—a huge win, because we all know that gaining popularity in the adolescent crowd is not easy!

Chegg kept its pulse on the market and saw more areas to add value to students. They extended their online textbook rental service to include “homework help” campaigns, online tutoring, scholarships, and internship matching.

## The Goal

### Completing the picture.

The easy part was that Chegg had a very well-defined audience: students. But that was where easy stopped. Students rarely complete forms or provide information about what they are looking for. And without that information, retargeting students with experiences that drove conversions was impossible.

Chegg was mining first-party data to understand what their students needed, however their retargeting efforts were not effective since they knew little about their students. Plus the data was not sufficient for Chegg to reach the universe of students who had never been to their site.

# The Solution

## Finding the perfect student group.

Chegg partnered with Adobe Audience Manager (AAM), a data management platform that allowed them to layer their first-party data with third-party data with over 80% accuracy. They started getting granular insights into what their students were interested in, what stage of their education they had reached, and other high value data. They could now join their students on their journey through college and retarget them meaningfully.

However, having granular data in itself means little if it is not analyzed and acted upon. Chegg partnered with Adobe Media Optimizer (AMO) to test different audiences, so they could understand how a student group would contribute to the bottom-line and buy media based on intelligent audience layering.

With students responding to a wide mix of channels, the attribution models helped Chegg understand which channels were influencers versus drivers of conversion.

# The Success

## Driving performance and lifetime value.

Testing of different student categories allowed Chegg to get very familiar with the ROI of each student segment. For example, they learned that investing in a Science Technology Engineering Math (STEM) freshman student would perhaps pay off more in the long run than other segments they identified.

That paved the way for a 2x increase in lifetime value by being able to identify the perfect student who would be a loyal repeat customer.

With more audience reach, intensive testing to identify student categories, more intelligence around what was contributing to ROI, Chegg saw an overall 22% drop in cost per acquisition (CPA).

For their "homework help" campaigns, in which they targeted students who were struggling to make good grades, Chegg saw a whopping 47% decrease in CPA.



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Adobe Systems Incorporated  
345 Park Avenue  
San Jose, CA 95110-2704  
USA  
[www.adobe.com](http://www.adobe.com)

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