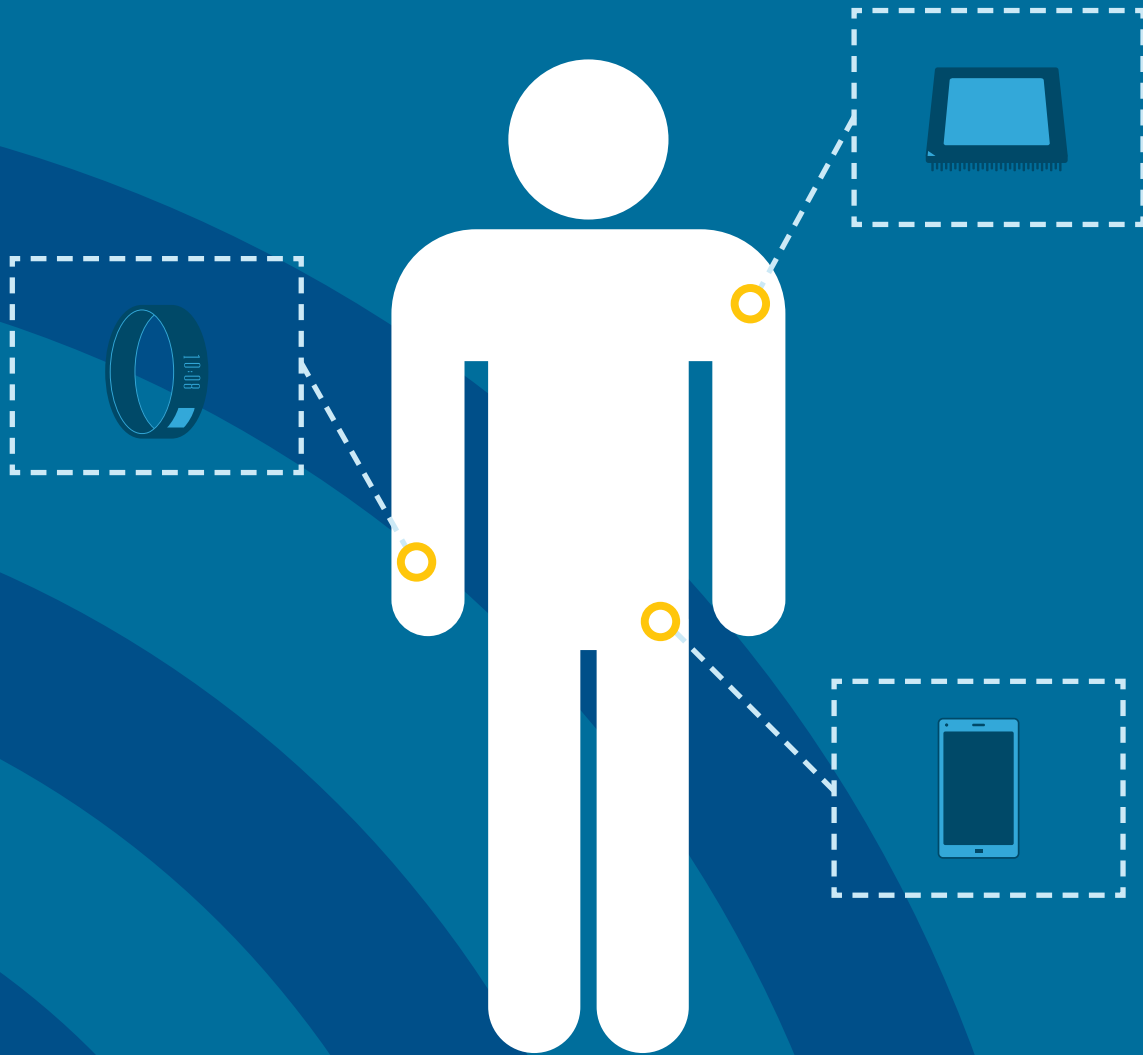


ROCKET FUEL:
“QUANTIFIED SELF”
DIGITAL TOOLS
A CPG MARKETING OPPORTUNITY



Q4 2014

OVERVIEW

Quantified Self (QS) is an emerging area of technology that allows consumers to use a variety of digital tools to collect data and learn about their behaviors and habits of everyday life. The increasing number of QS digital tools available today includes smartwatches, wearable fitness trackers, apps, and websites. As consumers continue to integrate these new QS digital tools into their lives, the data collected by these tools presents new opportunities for CPG marketers to learn more about consumers' behavior and better reach their target audiences.

To better understand this new technology trend and assess its impact on the future of digital media for CPG marketers, Rocket Fuel conducted a custom primary research study among consumers in the U.S. to:

- Understand consumers' interest in using health and fitness QS tools
- Gauge current usage of health and fitness QS tools
- Understand the impact of health and fitness QS tools on consumer behavior
- Evaluate consumers' openness to sharing their QS data with CPG advertisers

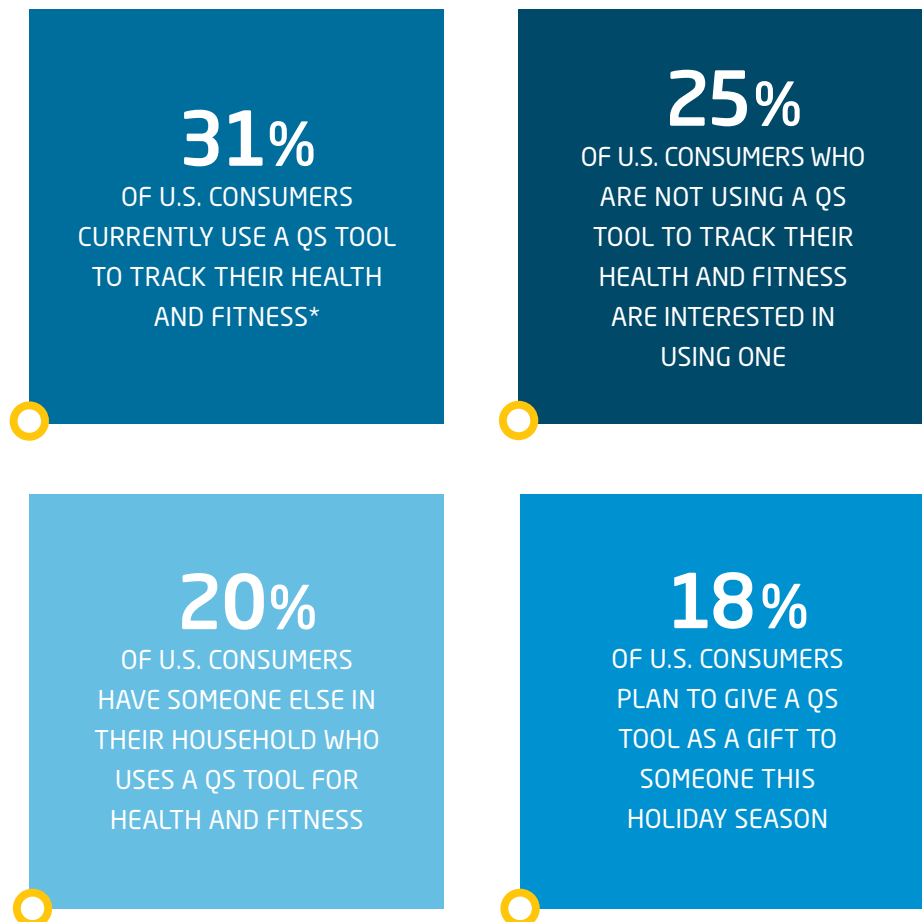
STUDY DETAILS

This survey was conducted online using a trusted third-party research vendor and fielded from December 3 - 10, 2014, among 1,262 total respondents who live in the U.S., use a computer regularly, and either currently use a Quantified Self tool to track their health and fitness or who are interested in using a Quantified Self tool to track their health and fitness. 56% of U.S. consumers qualified for our study. All market-sizing data is based to 2,245 total respondents with sample composition representative of the U.S. population.

MARKET SIZING

ONE IN THREE U.S. CONSUMERS CURRENTLY USES A QS TOOL TO TRACK THEIR HEALTH AND FITNESS.

QS tools are gaining traction among consumers, with 31% currently using a QS tool to track their health and fitness, food, diet, sleep, and/or mood. Additionally, 20% of consumers have someone else in their household who uses a QS tool, and 25% of consumers are non-users but are interested in using a QS tool for health and fitness. Nearly one in five U.S. consumers planned to give a QS tool to someone as a gift this holiday season, further demonstrating the appetite for these types of digital tools and the desire to track health and fitness behavior digitally.



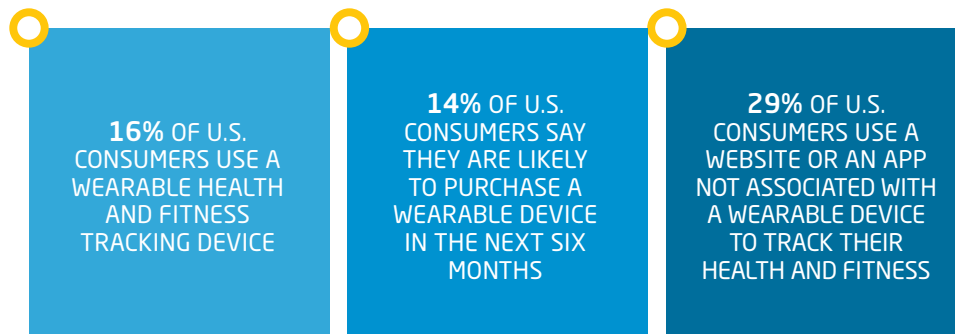
Based to total U.S. consumers, ages 18-64 (n=2,245)

**including wearable devices, apps, and websites*

HEALTH & FITNESS TOOLS

FITBIT AND NIKE+ FUELBAND ARE THE MOST POPULAR WEARABLE FITNESS TRACKERS USED TODAY, BUT STANDALONE WEBSITES AND APPS ARE EVEN MORE POPULAR THAN WEARABLES TO TRACK HEALTH AND FITNESS.

Wearable health and fitness trackers are becoming more and more popular among consumers. 16% of U.S. consumers own a wearable fitness tracker, with Fitbit and Nike + FuelBand being the most common brands owned. Half (51%) of those who use wearable trackers use an app to track the health and fitness metrics collected by their wearable device, while 24% use a website, and 25% use both an app and a website. 14% of U.S. consumers say they are likely to purchase a wearable fitness tracking device in the next six months, while 12% are still undecided.

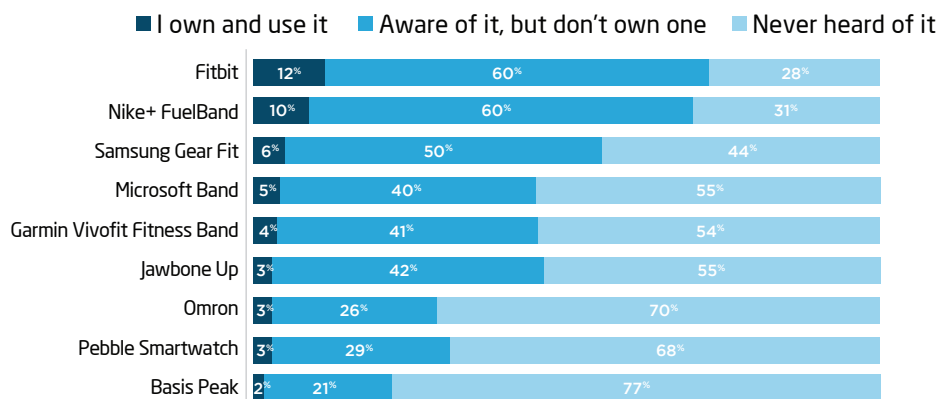


Based to total U.S. consumers, ages 18-64 (n=2,245)

Wearable devices are not the only QS tools consumers use: 29% of U.S. consumers use a website or an app not associated with a wearable QS tool to track their health and fitness. This includes 88% of wearable users demonstrating the voracious appetite these consumers have for their behavioral data. My Fitness Pal is by far the most common website/app used, while a few others that were mentioned include: Nike+, WebMD, Map My Fitness, Apple Health, Spark People, Lose it, and Run Keeper.

WEARABLE QUANTIFIED SELF HEALTH AND FITNESS

Based to U.S. consumers who own and use a Quantified Self health and fitness tracker or are interested in using one (n=1,262)

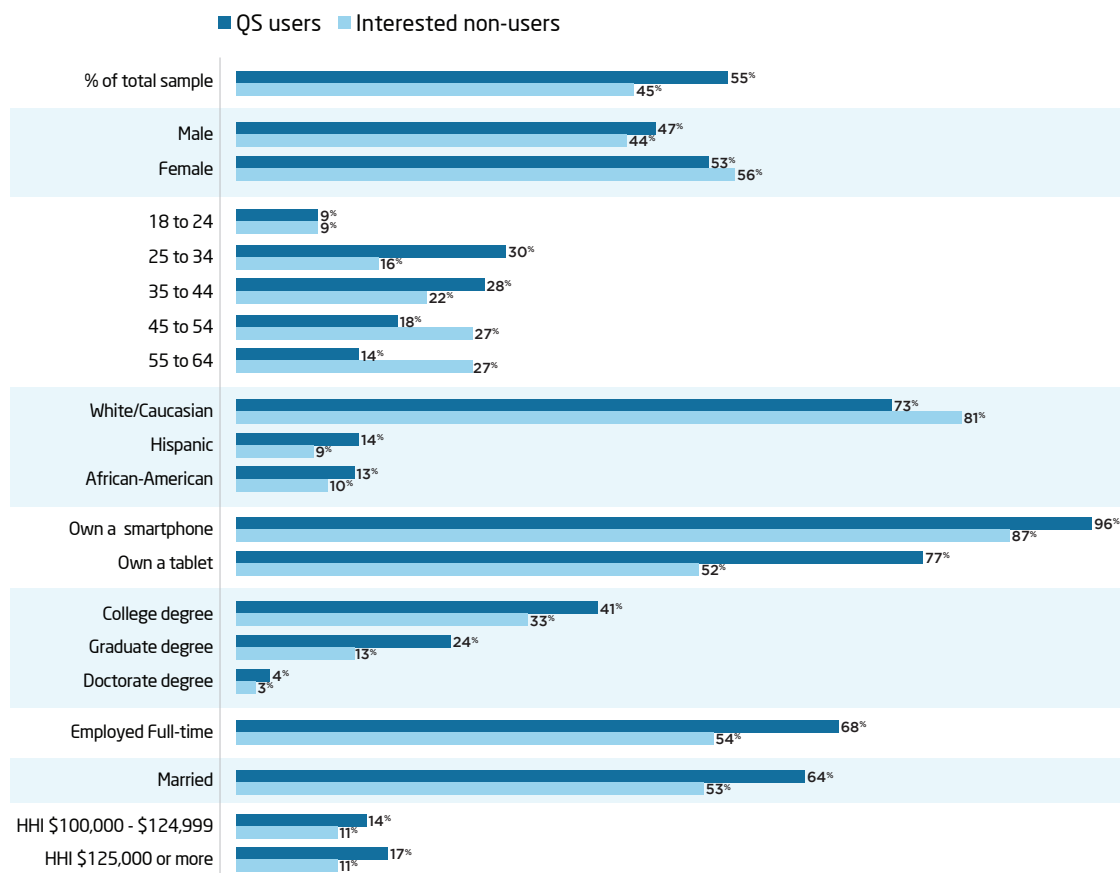


PROFILE OF QS USERS AND INTERESTED NON-USERS

QS USERS TEND TO SKEW YOUNGER (AGES 25-44), AND EITHER HISPANIC OR AFRICAN AMERICAN. THEY ARE MORE LIKELY TO HAVE HIGHER TECH OWNERSHIP, HIGHER EDUCATION, BE EMPLOYED FULL TIME, MARRIED, AND HAVE HIGHER HOUSEHOLD INCOME THAN INTERESTED NON-USERS.

DEMOGRAPHIC PROFILE OF QS USERS AND INTERESTED NON-USERS

Based to QS users (n=699) and Interested non-users (n=563)



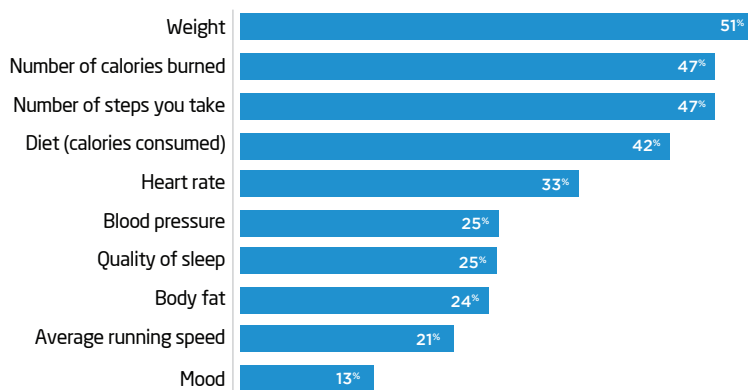
USAGE OF HEALTH AND FITNESS TOOLS

WEIGHT, CALORIES, AND DISTANCE ARE TRACKED MOST OFTEN; METRICS ARE CHECKED VERY FREQUENTLY - A FEW TIMES A WEEK OR DAILY.

Those who use a QS tool for health and fitness most often track their weight, calories, distance traveled, diet, and heart rate. Women are more likely to track their diet (calories consumed) than men, while men are more likely to track their heart rate, blood pressure, body fat, and running speed than women. Those who use a wearable device are more likely to track all metrics than those who just use an app or website, especially quality of sleep, mood, body fat, heart rate, and average speed.

HEALTH AND FITNESS METRICS TRACKED USING QS TOOLS

Based to QS users (n=699)



FUN FACT:

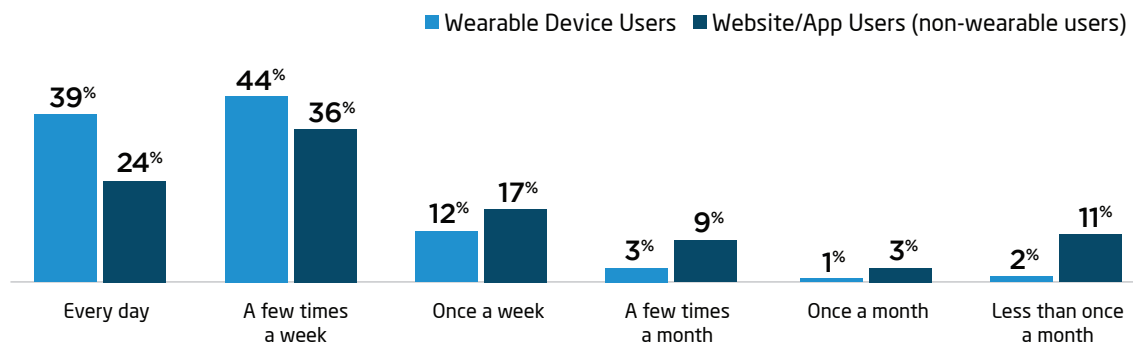
Aggregated sleep data from Jawbone Up users in the San Francisco area shows an interesting trend of sleep interruption at the time of the recent earthquake by distance of users from the epicenter.

(Aug 2014, <https://jawbone.com/blog/napa-earthquake-effect-on-sleep/>)

Those who use a wearable device check their health and fitness metrics more frequently than those who only use an app or website (83% a few times a week vs. 60%). In general, women are more likely to check their metrics daily than men (34% vs. 28%). On average, consumers had been using QS tools for nine months to track their health and fitness

FREQUENCY OF CHECKING HEALTH AND FITNESS METRICS

Based to wearable QS users (n=349), Website/app users but non-wearable users (n=350)



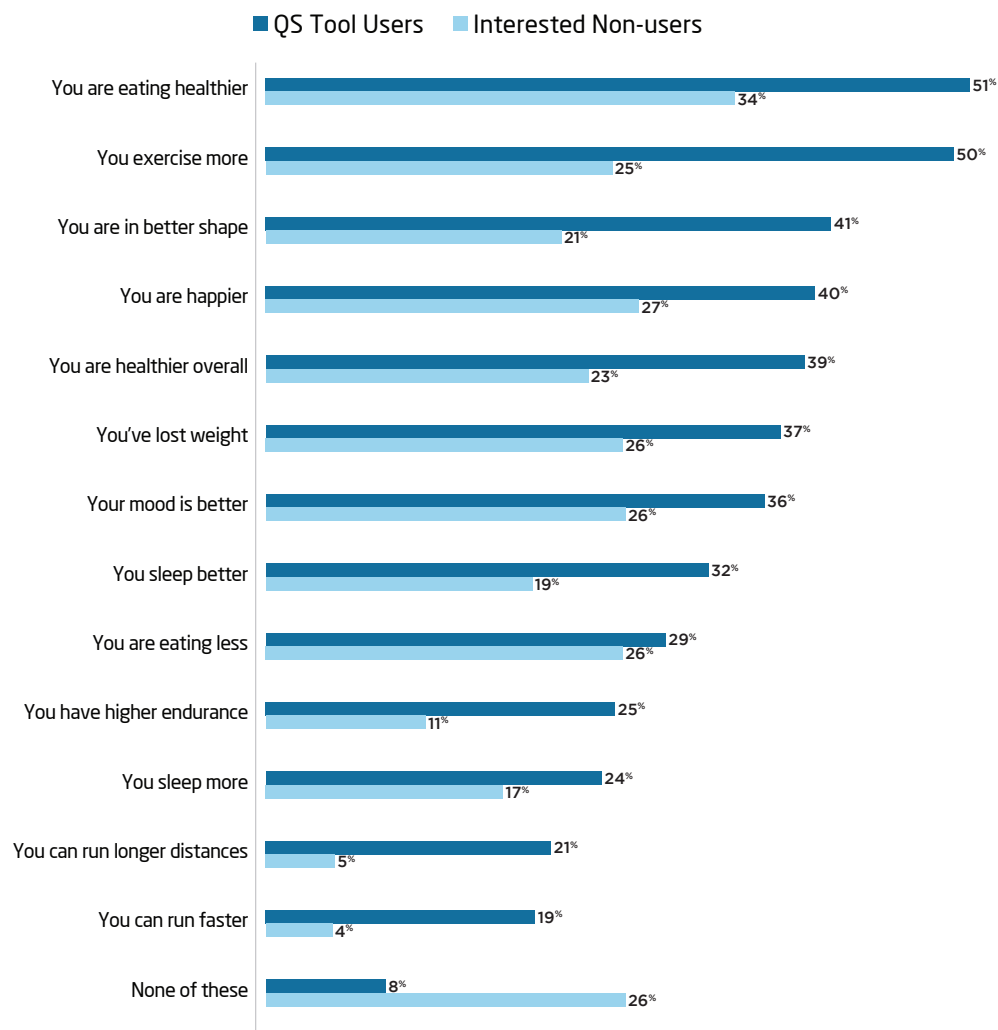
IMPACT OF HEALTH AND FITNESS TOOLS ON LIFESTYLE

CONSUMERS HAVE DRAMATICALLY CHANGED THEIR LIFESTYLES AND BEHAVIORS AS A RESULT OF USING QS TOOLS.

Users of QS tools are much more likely to have experienced positive, healthier life changes within the last year than non-users, especially related to eating healthier, exercising more, and being in better shape overall. Wearable device users are more likely to have experienced all of these life changes within the past year relative to website/apps users who don't use wearably. Most notably they are more likely to have higher endurance, sleep better/more, and run faster/longer distances.

LIFE CHANGES AS COMPARED TO A YEAR AGO

Based to QS users (n=699) and Interested non-users (n=563)



IMPACT OF HEALTH AND FITNESS TOOLS ON LIFESTYLE

Nine in ten QS users say tracking their health and fitness metrics has impacted their lifestyle and behavior. Many QS users say they have lost weight by using the tools, they eat healthier, they are more aware of what they eat, they exercise more often, and they are more aware of their habits and progress in working toward a goal.

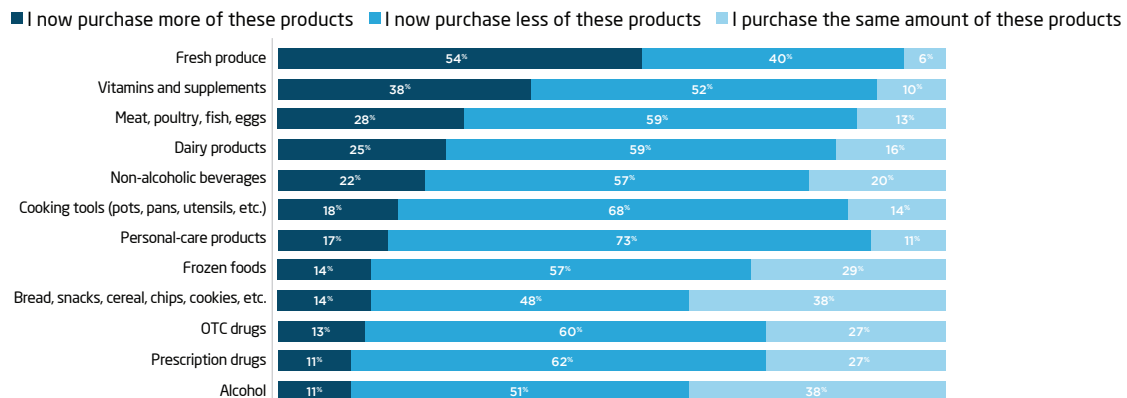


Based to QS users (n=699)

Consumers have also modified their purchasing habits as a result of using QS health and fitness tools. CPG categories that have benefited from the usage of these tools include fresh produce, vitamins/supplements, protein, and dairy, while spending in other categories has declined, such as frozen foods, carb-heavy foods, OTC/prescription drugs, and alcohol.

CHANGE IN PURCHASE HABITS AS RESULT OF USING QS TOOLS

Based to QS users (n=699), Website/app users but non-wearable users (n=350)

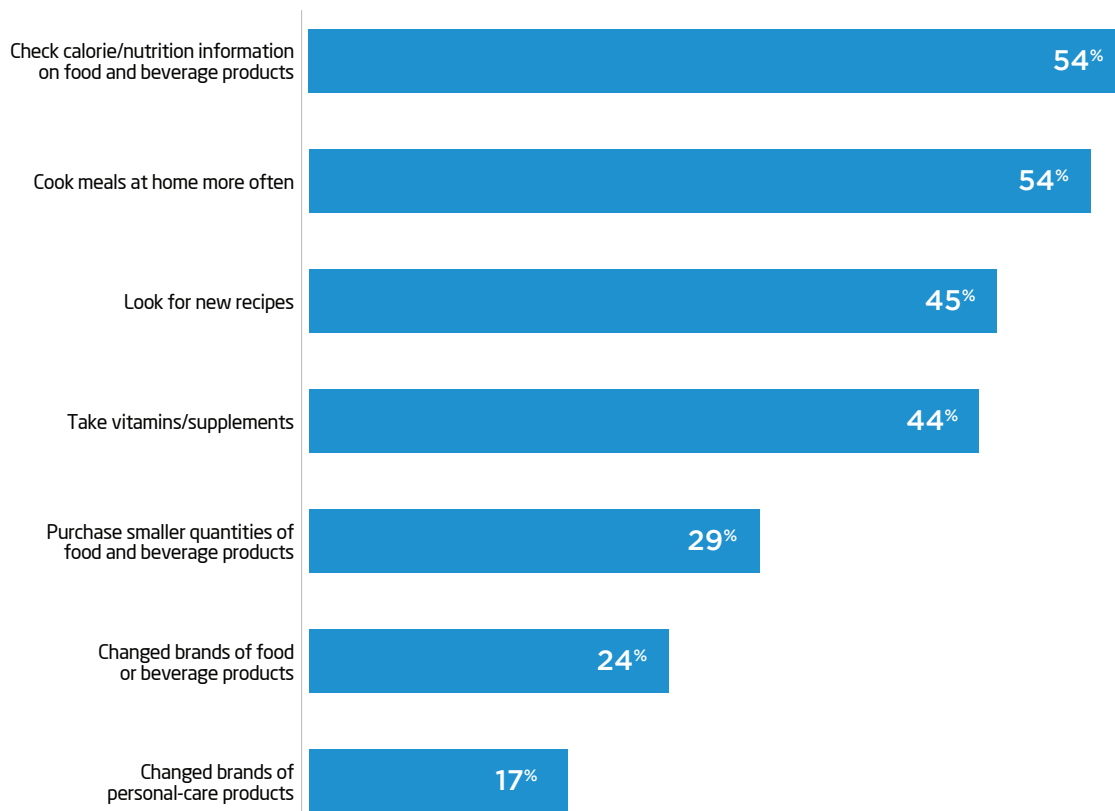


IMPACT OF HEALTH AND FITNESS TOOLS ON LIFESTYLE

More than half of QS users check labels on food and beverage products and cook more often as a result of using QS tools. One in four participating consumers have changed food brands as a result of using QS tools, and nearly one in five have changed brands of personal-care products. Men are more likely to have changed brands of personal-care products and started to take vitamins/supplements as a result of using the tools, while women are more likely to have changed brands of food or beverage products, started to check calorie/nutrition information, and started to look for new recipes. CPG companies can align with these behavior trends by highlighting low-calorie and nutrient information in marketing messages, producing smaller product packaging to aid in portion control, and by providing healthy recipes featuring their products to appeal to this growing consumer segment.

ACTIVITIES CONSUMERS HAVE DONE AS A RESULT OF USING QS TOOLS

Based on QS users (n=699)



Based on QS users (n=699)

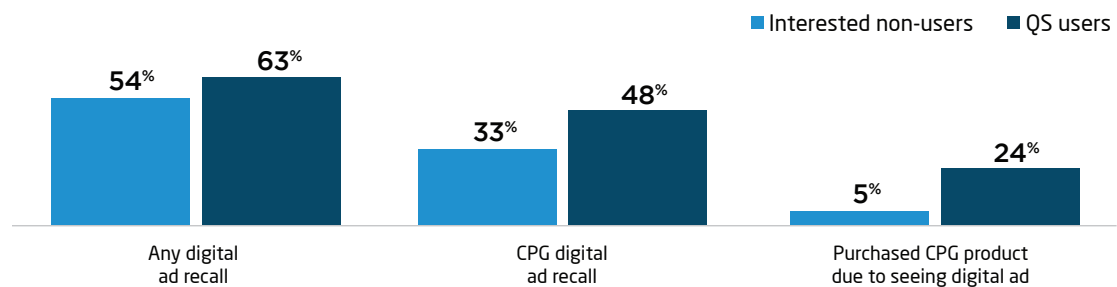
IMPACT OF HEALTH AND FITNESS TOOLS ON DIGITAL MEDIA

QS USERS ARE MORE RECEPTIVE TO DIGITAL MEDIA THAN NON-USERS; INCREASING RELEVANCE OF DIGITAL ADS FOR CONSUMERS OVERALL COULD BENEFIT CPG ADVERTISERS.

QS users are more likely to recall seeing digital ads than non-users, including CPG digital ads specifically, and they show a much stronger likelihood of purchasing a CPG product as a result of seeing digital ads. The CPG digital ads that are most often recalled by QS users are for household and personal-care products (both have a 28% past-month recall level).

PAST MONTH DIGITAL AD RECALL AND RESULTING CPG PURCHASES

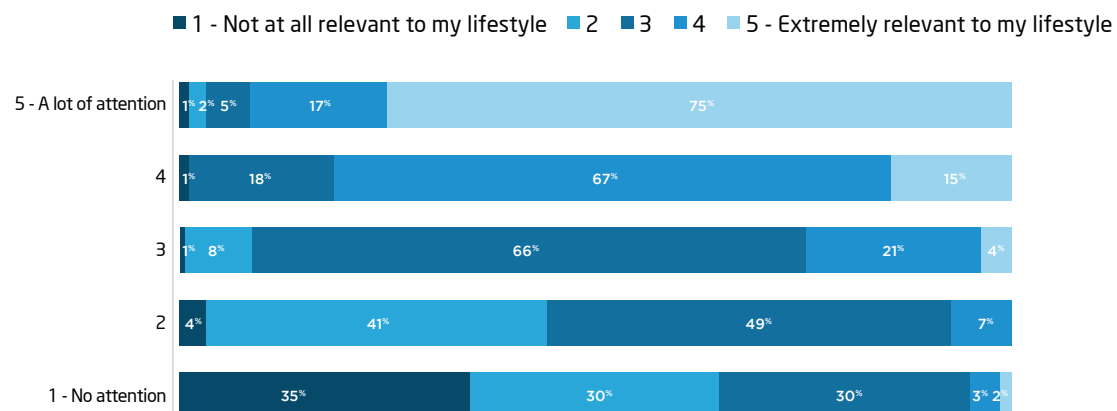
Based to QS users (n=699) and Interested non-users (n=563)



In general, the majority of consumers pay at least some attention to the CPG digital ads they see across their Internet-connected devices, but there is room for improvement. Among those who pay little to no attention to CPG digital ads, 35% say the ads do not catch their attention, 31% say they are not interested in the products advertised, 23% say the offers in the ads are not compelling, and 21% say the products they see are not relevant to their lifestyle.

ATTENTION PAID TO CPG DIGITAL ADS BY RELEVANCE OF CPG DIGITAL ADS SEEN

Based to U.S. consumers who own and use a Quantified Self health and fitness tracker or are interested in using one (n=1,262)



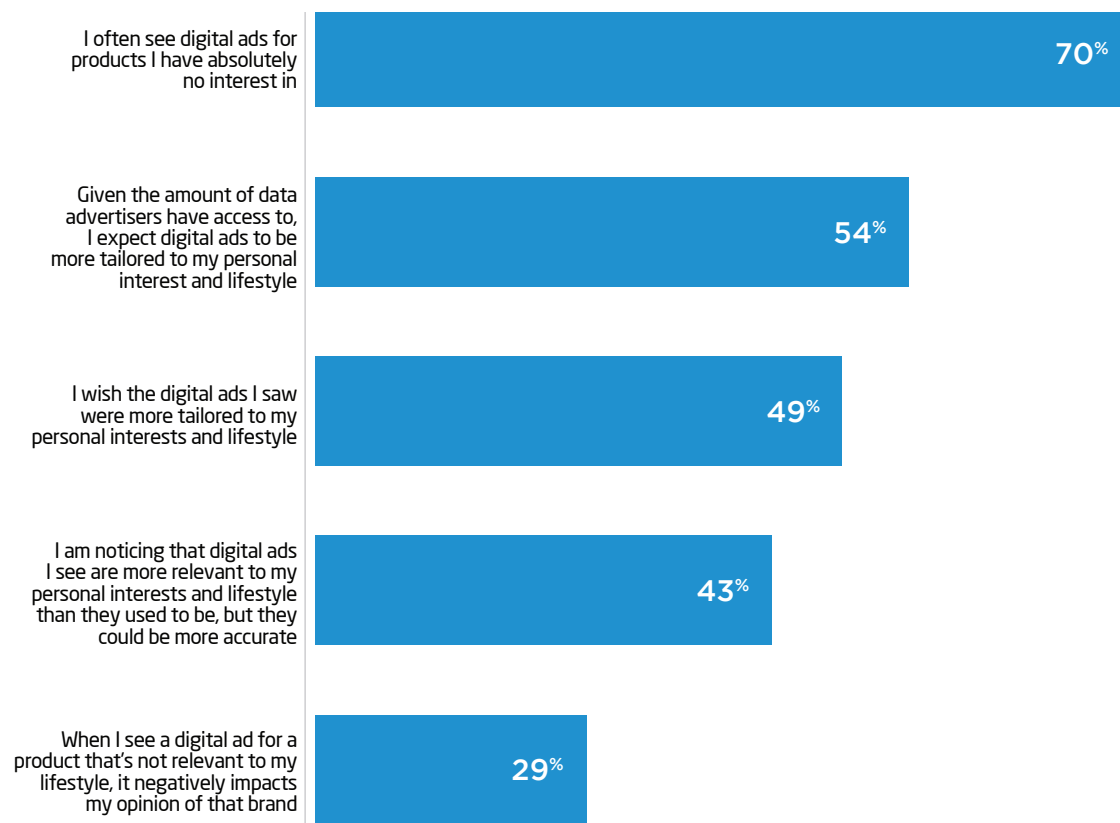
IMPACT OF HEALTH AND FITNESS TOOLS ON DIGITAL MEDIA

In fact, there is a direct correlation between the attention paid to CPG digital ads and the relevance of the content featured in the ads: the more relevant an ad, the more it resonates with consumers. Increasing relevance of digital ads would not only garner more attention from consumers, but one in four (27%) say they would be more likely to purchase the products advertised.

Consumers have a desire and expectation for more personalized digital media from CPG advertisers. Although consumers do notice some personalization of digital media today, there is room for improvement. It behooves CPG marketers to deliver the most personalized and relevant digital media possible to consumers today by leveraging cutting-edge technology and Big Data to retain loyalty and attract new customers before they get disenfranchised with the brand.

AGREEMENT WITH STATEMENTS ABOUT DIGITAL MEDIA

Based to U.S. consumers who own and use a Quantified Self health and fitness tracker or are interested in using one (n=1,262)



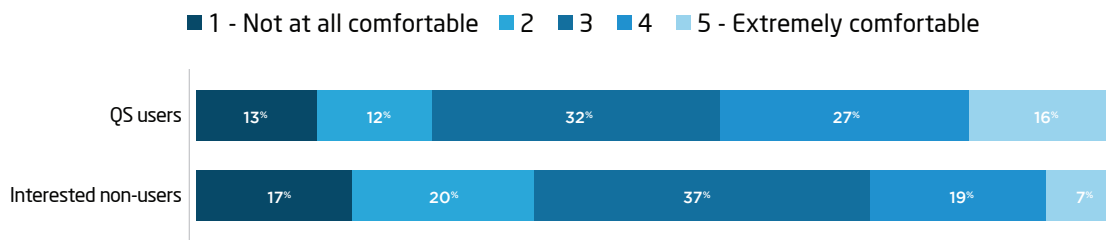
COMFORT WITH SHARING QS DATA WITH ADVERTISERS

THE MAJORITY OF QS USERS ARE COMFORTABLE WITH SHARING THEIR DATA WITH ADVERTISERS TO RECEIVE MORE PERSONALIZED DIGITAL ADVERTISING.

The comfort level of consumers with sharing their QS data is fairly high, with the majority of consumers showing at least some comfort with the idea. Interestingly, QS users are more comfortable with sharing their data than interested non-users, perhaps due to their knowledge of the data, the value proposition of increased personalization and the receptiveness of digital advertising overall among this segment.

COMFORT LEVEL OF SHARING DATA TO RECEIVE MORE PERSONALIZED DIGITAL ADVERTISING

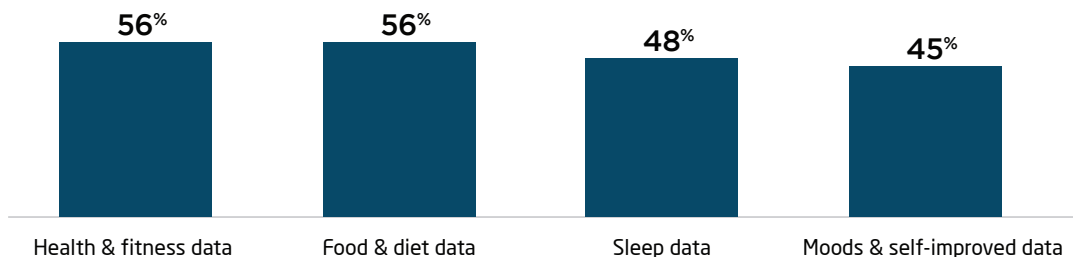
Based to QS users (n=699) and Interested non-users (n=563)



QS users are most comfortable with sharing health and fitness, and food/diet data, and least comfortable with sharing sleep and mood/self-improvement data, although comfort levels are comparable. Additionally, when posed with the incentive of receiving discounts and coupons in exchange for sharing QS data, 75% of QS users say they would be more likely to share it. Even among those QS users who said they are not at all comfortable with sharing their data, one-third (33%) say they would be more likely to share their data in exchange for discounts or coupons.

COMFORTABLE (4+5) WITH SHARING TYPES OF QS DATA AMONG QS USERS

Based to QS users (n=699)





THE QUANTIFIED SELF MOVEMENT PRESENTS BOTH A RISK AND OPPORTUNITY FOR CPG MARKETERS.

SUMMARY

- The Quantified Self movement is gaining traction among consumers, and new health and fitness tracking tools are continually becoming available in the marketplace.
- These tools and data are impacting how consumers live, the choices they make, and the products they purchase; i.e. exercising more, eating healthier foods in smaller portions, and changing brand preferences.
- Quantified Self users are more receptive to digital media than non-users and are willing to trade their personal data in exchange for more personalized advertising tailored to their own QS interests.

RECOMMENDATIONS

- CPG marketers should recognize how QS consumers' evolving lifestyles and product choices will impact their business outcomes, and use this information to develop advertising, and media strategies to connect with these consumers in effective ways.
- Over the next 12-18 months, CPG marketers should put together a plan for leveraging QS data and build KPIs around that data.
- CPG marketers should explore partners who can leverage QS data and provide methods of optimizing toward QS data-based goals.

For example, instead of using surveys to measure purchase intent of a product (i.e. frozen food, carbonated soda, or cereal), a brand can leverage QS data (i.e., calorie/food tracking data) to understand actual consumption and the characteristics of various consumers (i.e., heavy, medium, or light users). This insight can inform specific creative (i.e. a 100-calorie serving) as well as segment targeting, thus helping to increase the overall impact of the message and efficiency of the media (less waste). By monitoring this data over time, it can also provide an offline proxy of success.

ABOUT ROCKET FUEL

Rocket Fuel delivers a leading programmatic media-buying platform at Big Data scale that harnesses the power of artificial intelligence (AI) to improve marketing ROI in digital media across web, mobile, video, and social channels. Rocket Fuel powers digital advertising and marketing programs globally for customers in North America, Europe, and APAC. Customers trust Rocket Fuel's Advertising That Learns® platform to achieve brand and direct-response objectives in diverse industries from luxury cars to financial services to retail. Rocket Fuel currently operates in more than 20 offices worldwide and trades on the NASDAQ Global Select Market under the ticker symbol "FUEL." For more information, please visit www.rocketfuel.com or call 1-888-717-8873.

