STATE OF THE INDUSTRY:
CONSUMER TRENDS IN PRODUCT REGISTRATION

registria

FORWARD FROM THE CEO

I am pleased to announce the release of Registria's signature research report—State of the Industry: Consumer Trends in Product Registration. It is my privilege to introduce research that is five years in the making. Some data points look back 10-years, prior to the launch of the iPhone and the beginning of mobile transforming our lives. Working with more than 100 brands, Registria is in a unique position to bring you insights based on actual consumer registration behavior - data that would identify the brand and the person has been removed to protect confidentiality.

The findings in the Trends Report are profound. Though, perhaps the most profound part of this study is that there is a study at all. Consumer registration behavior was in decline. Brands offering traditional mail-in product registration cards or an address to a hard-to-find web page haven't seen good results. Registration became so ineffective, some of these brands stopped offering it in order to save pennies.

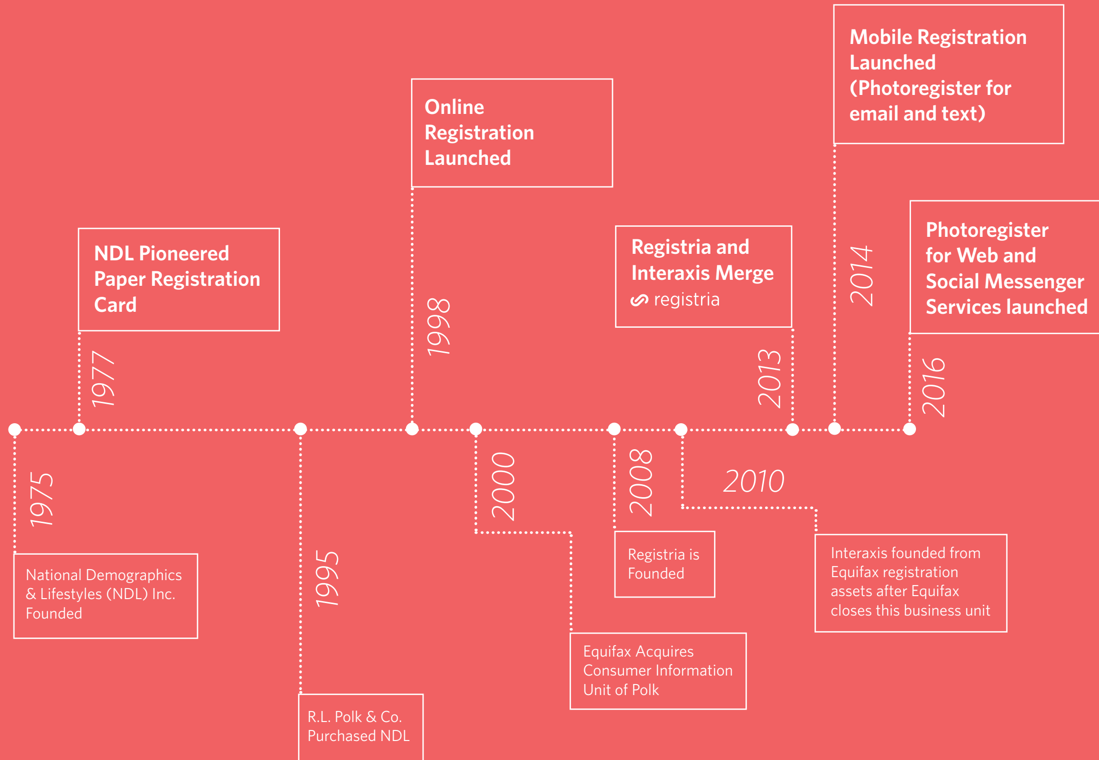
Enter the smartphone. In 2014 more people accessed the internet from their phone than their desktop computer. That same year, we pushed a beta version of our mobile registration service that has since become Photoregister. Fifteen months ago, we announced the commercial availability of the service at the 2015 Consumer Electronics Show.

This research is the first-time anyone will have seen the impact of the smartphone and Photoregister on product registration results. What you will see, is the Smartphone has become a viable way to register products. In fact, product registration will again be the primary way brands identify and engage with their buyers, mercifully displacing customer service calls with a proactive and positive experience. We have found that brands that have offered Photoregister—which just requires a customer to text, email, post, or message to register—have seen an average increase in registrations of 375%.

We believe this research will change the way you think about and invest in product registration as the first step in your customer's ownership experience.

Best,

Chris McDonald
CEO, Registria



OVER 35 YEARS OF PRODUCT REGISTRATION EXPERIENCE

OBJECTIVES

Registria analyzed registration data from 100+ brands over a 5 year period to identify:

- What are the disruptive trends in registration?
- Who are the consumers that register?
- How do these consumers register?

PARAMETERS

All data is derived from Same-Brand, US based companies over a five year period ended December 31, 2015, unless otherwise noted.

Reports compiled using activity derived from unique data sets, including proprietary surveys, manufacturer-published sources, and analyst reports.

Industries include:

- Major Appliances
- Small Appliances
- Consumer Electronics (Audio/Video)
- Consumer Electronics Accessories
- Computer Peripherals
- Sporting Goods
- Homewares
- Eyewear
- Power Tools
- Lighting/Plumbing
- Auto Parts
- Gun & Ammunition

OVERVIEW

PRODUCT REGISTRATION TRENDS

Product registration—as the first touchpoint in the customer journey—has become a strategic priority for consumer brands based on the following findings:

- Product registration volume is approaching double digit growth in 2015 after a period of decline.
- This growth is driven by a shift to mobile product registration from paper and web registrations. Our report is the first to capture this shift with the introduction of Photoregister as a mobile product registration service.
- The adoption of mobile registration is accelerating the speed to customer engagement, defined as the period between the date of product purchase and the date when registration data can be activated.

Product registration requires renewed focus as its role increases in importance. Treating the abandonment of a registration page like the abandonment of a shopping cart will result in significant gains in registrations and expand the marketing universe for brands.

CUSTOMERS WHO REGISTER

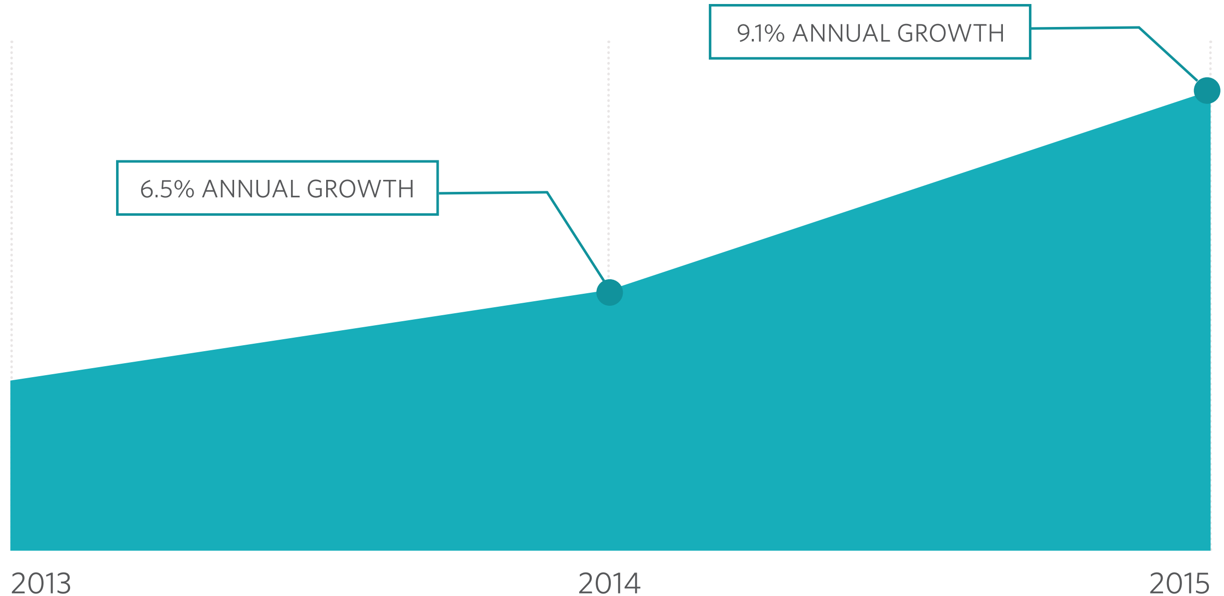
The last decade of technology has altered the registration landscape:

- Men have closed the gender divide and now register slightly more than women as a direct result of IoT based methods of registration for “smart” products.
- Customers who register today earn more money than in 2005 and prefer digital registrations to paper.
- More households with children register today than in 2005.

In general, customers who register are high value “Super Buyers” who earn more, purchase more, and skew older. But mobile and IoT registration is attracting new and younger customer segments—like Millennials—with high income and purchasing activity. The appeal of mobile and IoT registration is significant as brands look to building relationships with their buyers in the next decade.

TOTAL PRODUCT REGISTRATION VOLUME

Growth in registration volume approached double-digit growth rates driven by gains from IoT and mobile-based registration methods

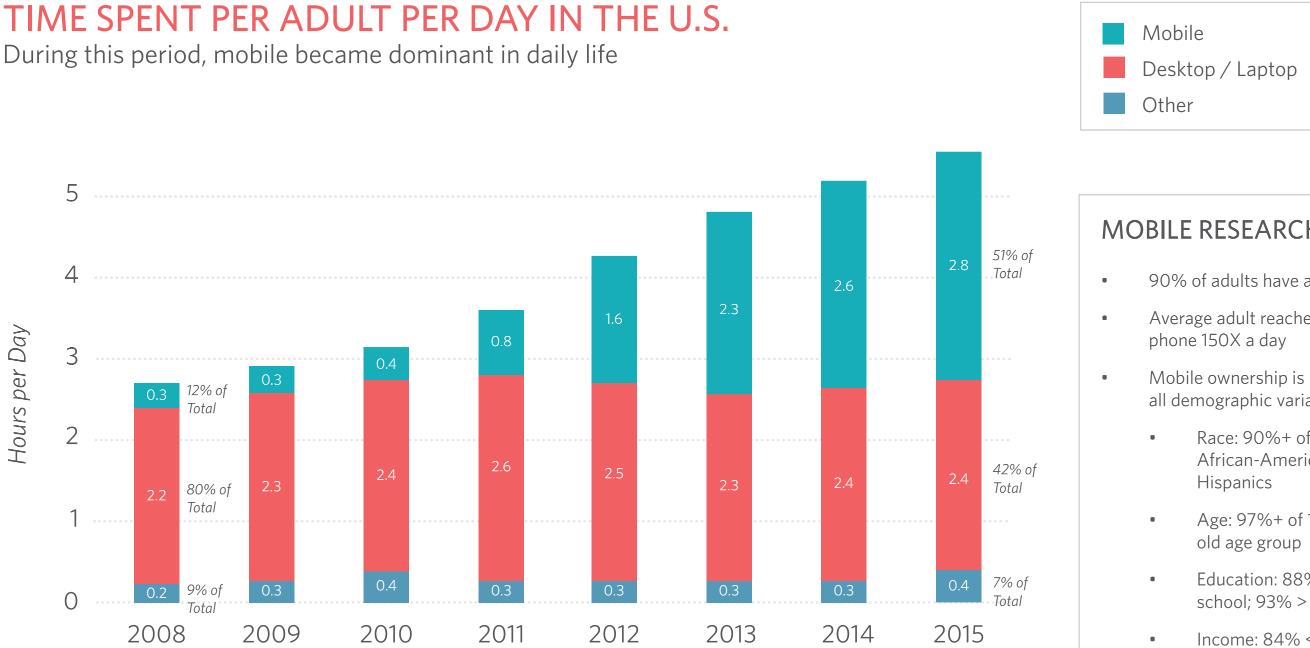


As registrations approach double digit growth, its role as the first touchpoint in the customer journey becomes a strategic priority

Source: Registria Data, Sampling of 100+ clients

TIME SPENT PER ADULT PER DAY IN THE U.S.

During this period, mobile became dominant in daily life



Many consumers keep their cell phone numbers longer than their addresses

MOBILE RESEARCH

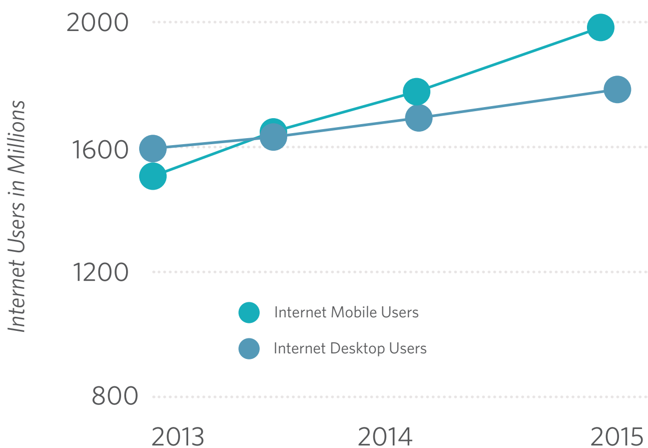
- 90% of adults have a cell phone
- Average adult reaches for their phone 150X a day
- Mobile ownership is high across all demographic variables
    - Race: 90%+ of Whites, African-Americans, Hispanics
    - Age: 97%+ of 18-49 year old age group
    - Education: 88% < high school; 93% > high-school
    - Income: 84% < $30K; 90% > $30K
- Wireless-only households most common among young, renters, and those with kids

Source: Pew Research, CDC Research, Kleiner Perkins, 2015

IMPACT OF MOBILE

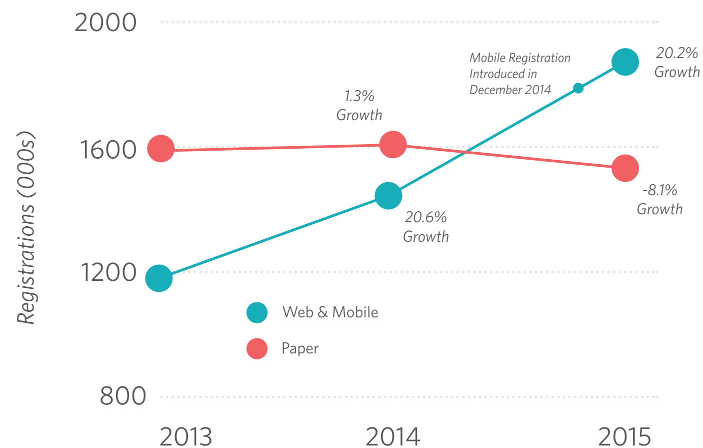
Product registrations reflect the impact of increased web and mobile usage

GLOBAL INTERNET USAGE



Source: *Morgan Stanley*

U.S. REGISTRATION BY CHANNEL

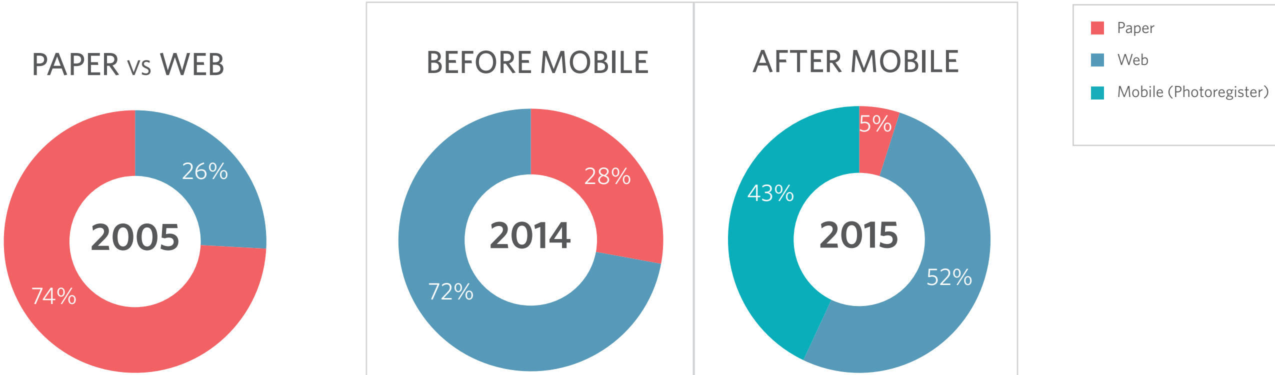


Source: *Registria Data, Sampling of 100+ clients*

More people accessed the internet from their mobile in 2014. Following that trend, in 2015 more people registered products via digital methods than by mailing in paper registration cards

CHANNEL EVOLUTION

10 Year Snapshot shows the shift from paper to web then mobile registration



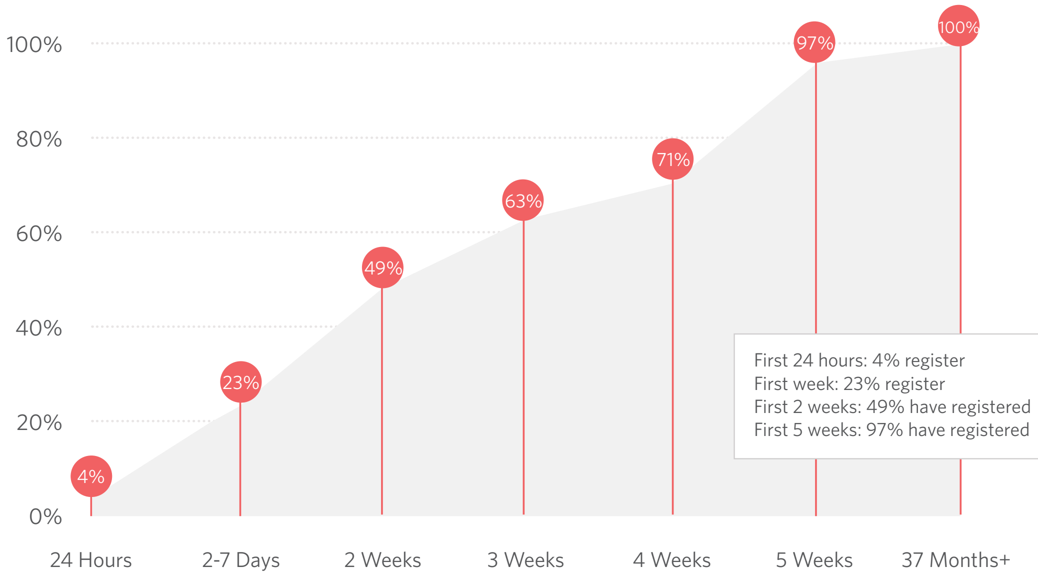
Registration Rates	8-18%	24-38%	+375%
Completion Rates	56%	80-88%	+57%
Registration (Within 24 hours)	4%	10%	+150%
Warranty Attach Rates (First 90 days)	2.5%	4-5%	+100%

Mobile is driving more customers to register through all digital channels

Source: Registria Data, Sampling of 100+ clients, Client Reports

SPEED TO REGISTER

Digital registration options have resulted in brands receiving 63% of buyer registration data within 3 weeks of the purchase date, that is, by the time paper registration data begins to arrive with the brand.

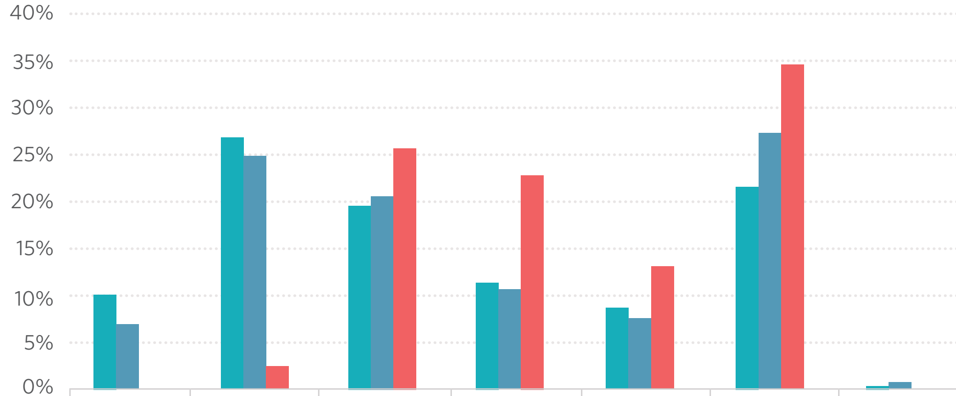


Companies report that customers who register earlier are more engaged with the brand and over a longer period of time

Source: Registria Data, Sampling of 100+ clients

SPEED TO REGISTER

Speed of registration is accelerating, as mobile captures more registrations within 24 hours



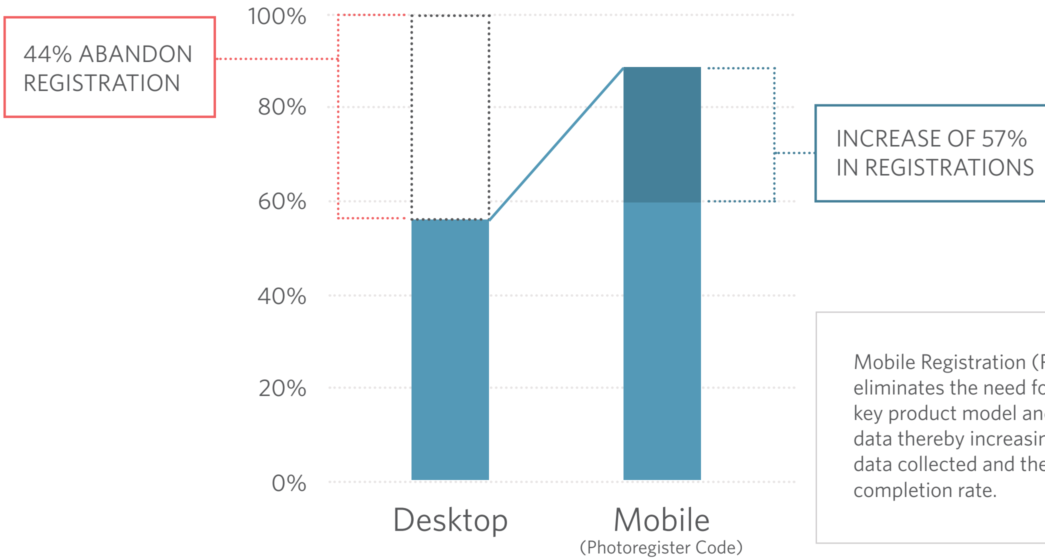
		24 Hours	1 Week	2 Weeks	3 Weeks	4 Weeks	5 Weeks	37 Months+
2015	Mobile	10%	27%	20%	12%	9%	22%	1%
	Web	7%	25%	21%	11%	8%	28%	1%
	Paper	0%	3%	26%	23%	13%	35%	0%

Digital registration methods enable brands to receive 57% of buyer data within two weeks of purchase

Source: Registria Data, Sampling of 100+ clients

REGISTRATION COMPLETION RATES

88% completion rates in mobile registration is achievable, outperforming desktop significantly



Mobile Registration (Photoregister Code) eliminates the need for a customer to key product model and serial number data thereby increasing the accuracy of data collected and the registration page completion rate.

If registration completions had the same strategic focus as shopping cart abandonment, gains could be significant

Source: Registria Data, Photoregister Clients

WHO REGISTERS?

WHO REGISTERS PRODUCT

2005 vs 2015

2005	FEMALE	54 YEARS OLD	NO CHILDREN	OWNS A HOME	$52K INCOME	PREFERS PAPER REGISTRATION
2015	GENDER SPLIT: 53:47	56-60 YEARS OLD	WITH CHILDREN	OWNS A HOME	$75-99K INCOME	PREFERS DIGITAL REGISTRATION

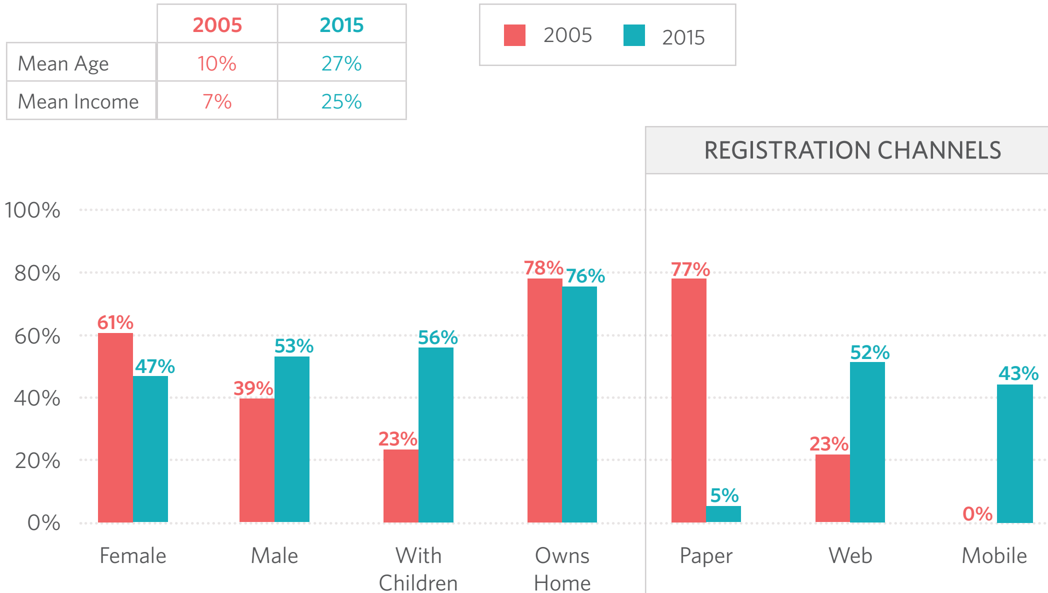
The last decade of technology advances has altered the registration landscape

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

WHO REGISTERS THEIR PRODUCT

Who registers and how they register has changed significantly since 2005

	2005	2015
Mean Age	10%	27%
Mean Income	7%	25%



KEY FINDINGS

Dramatic shifts in Income, Gender, Family Status

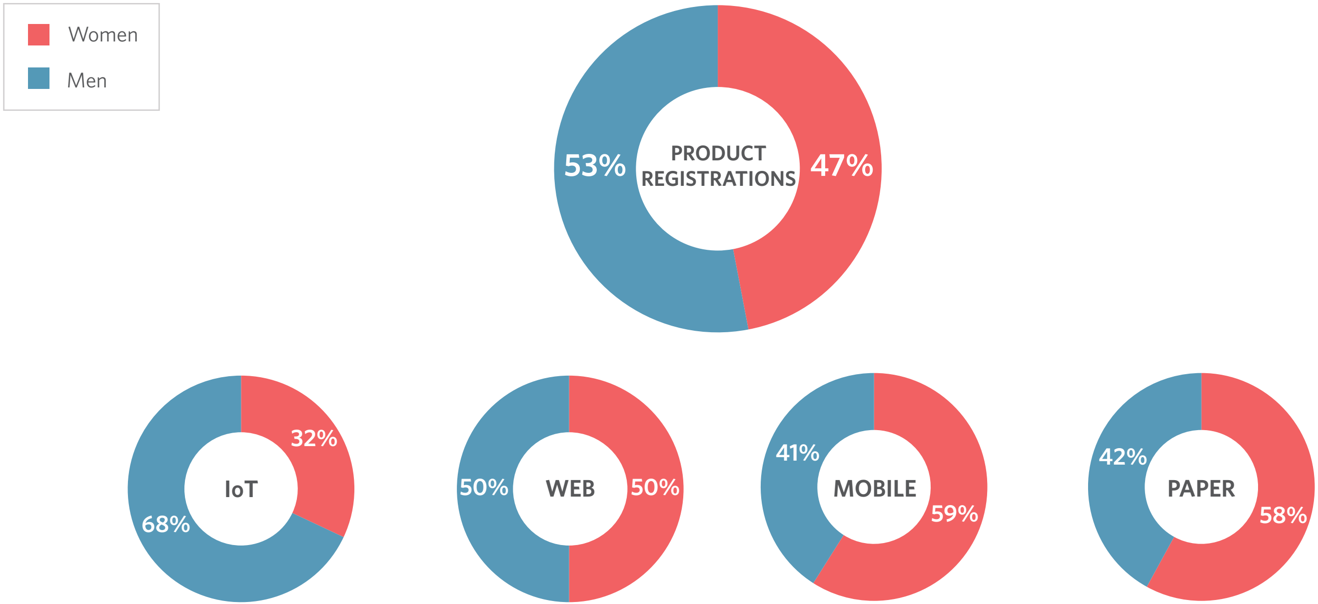
- People who register today are wealthier
- More males register today than in 2005
- More families with children register today
- Slightly older, except for mobile users
- Significant channel shift from Paper to Digital
- Home Ownership has not changed significantly

Companies need to modernize their registration strategies to mirror the communication behaviors of their customers

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

2015 GENDER

Gender divide has closed: men register slightly more than women



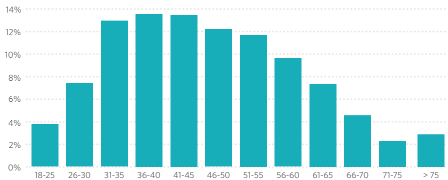
Men register via IoT more while women use Mobile and Paper more

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

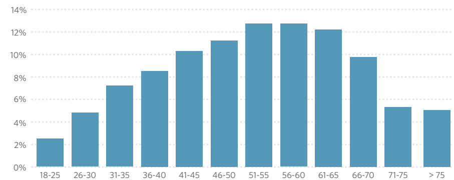
2015 AGE AND INCOME

Mobile skews younger, but income distribution is the same for all channels

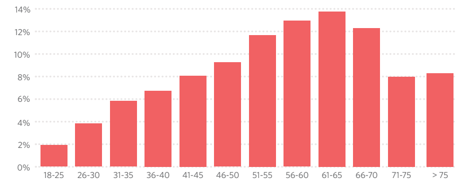
MOBILE



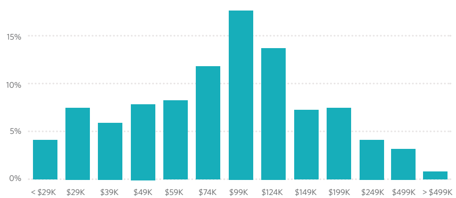
WEB



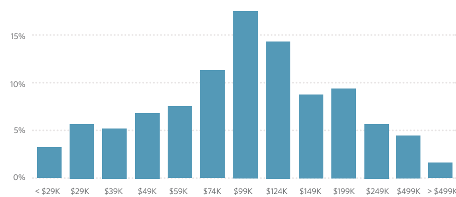
PAPER



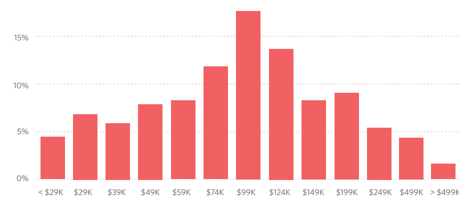
$75K - $99K



$75K - $99K



$75K - $99K



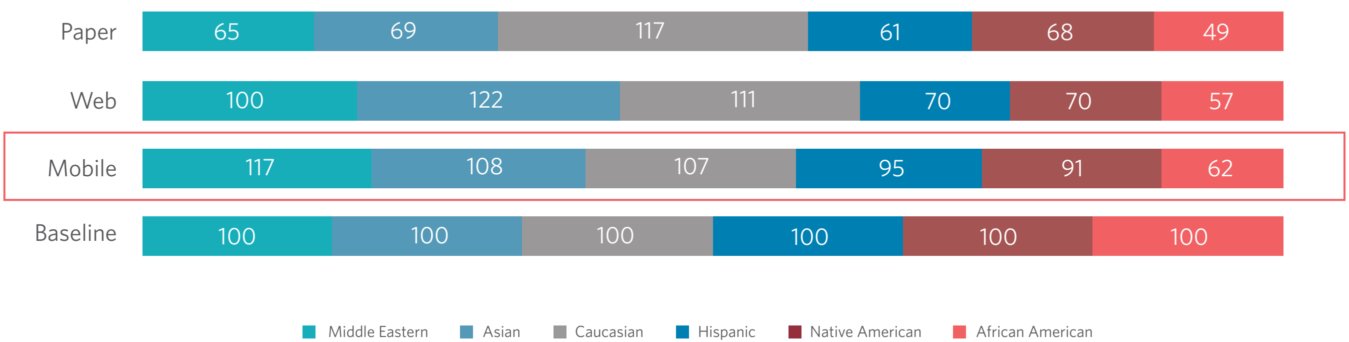
Preferred method of registration varies by age group while the income distribution by registration method is identical.

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

ETHNICITY

Channel usage varies by ethnicity with Mobile usage indexing highest for most minorities

REGISTRATION & ETHNICITY



Highest channel penetration for the following groups:

- Mobile - highest with Middle Eastern
- Web - highest with Asian who also over-index in Mobile
- Paper - highest with Caucasian, who over-index in all channels

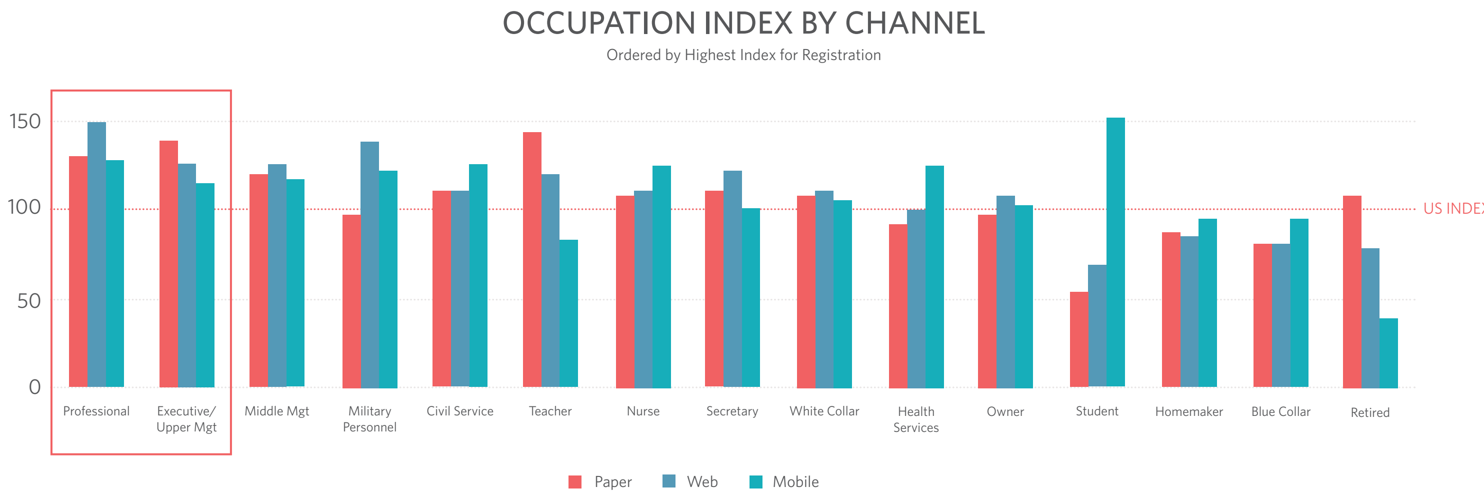
Opportunity exists to target the following groups:

- Hispanic, Native American, and African American under-index for all channels
- However, Mobile was used the most for these groups

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

OCCUPATION

The top 2 occupations with the highest index in registrations are Professionals and Executives



- Professionals, executives, and middle management index the highest for registrations for all channels
- These segments are attractive, with higher income and purchasing power

Outliers who index highest by channel:

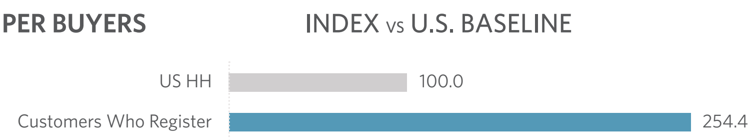
- Mobile – Students
- Web – Professionals
- Paper - Teachers

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

BUYER SCORE

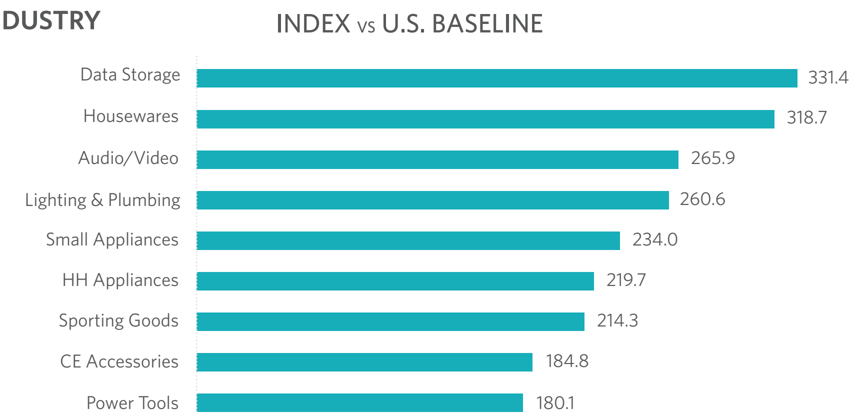
Consumers who register are "Super Buyers"

SUPER BUYERS



- Super Buyers have the highest purchasing activity and purchasing capacity.
- Super Buyers comprise the top 5% of consumers in the U.S.

BY INDUSTRY

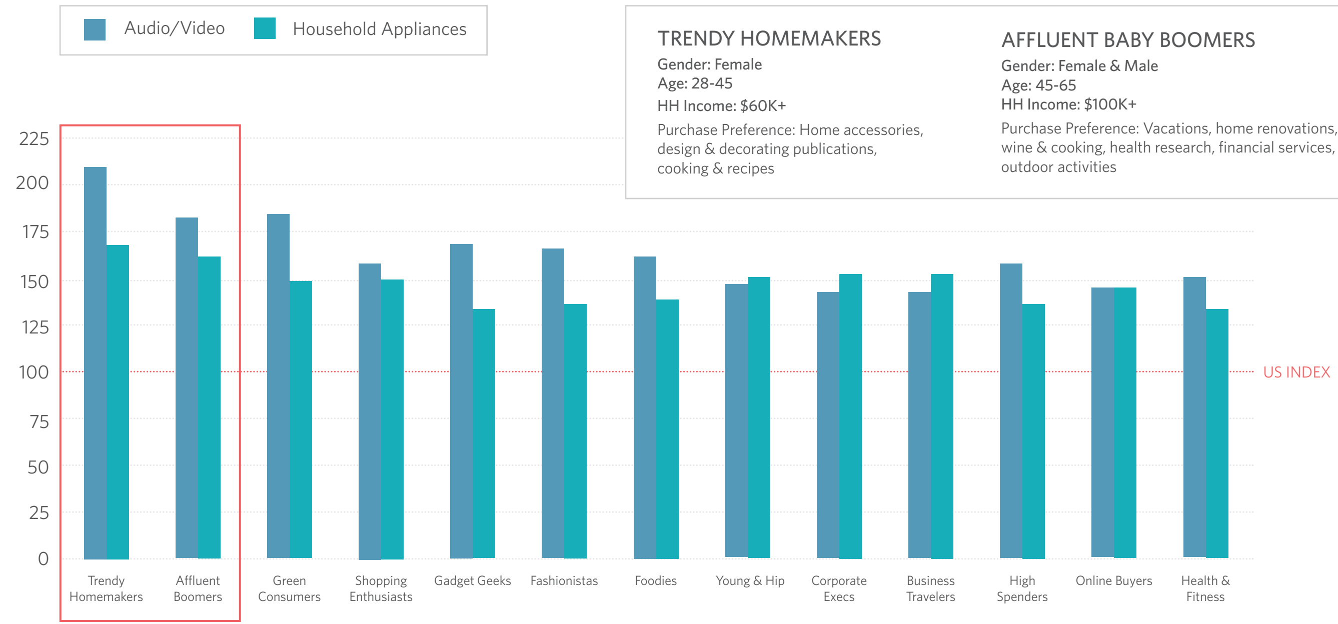


People who register are high value customers in every industry

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

AUDIO/VIDEO vs HOUSEHOLD APPLIANCES

Top 2 Lifestyle segments for these verticals are Trendy Homemakers and Affluent Boomers



TRENDY HOMEMAKERS

Gender: Female
Age: 28-45
HH Income: $60K+

Purchase Preference: Home accessories, design & decorating publications, cooking & recipes

AFFLUENT BABY BOOMERS

Gender: Female & Male
Age: 45-65
HH Income: $100K+

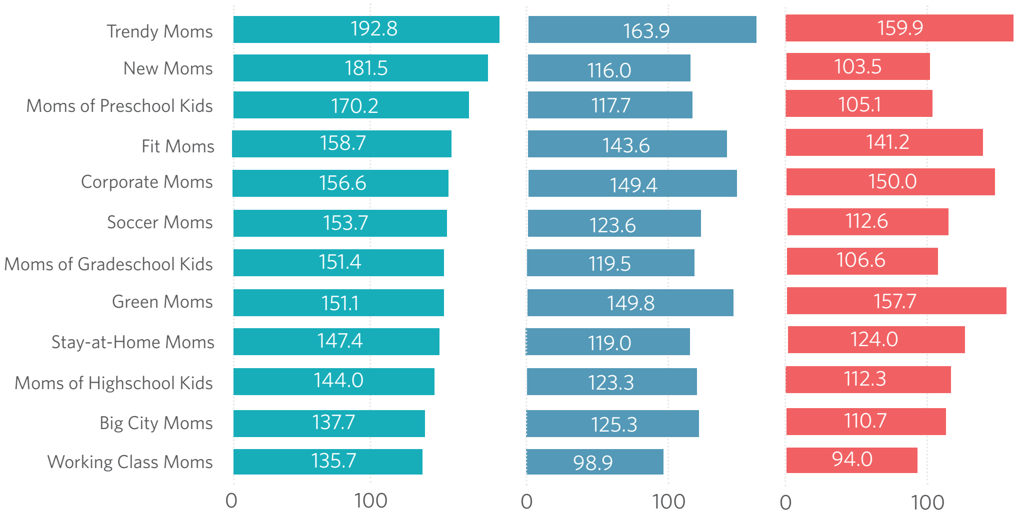
Purchase Preference: Vacations, home renovations, wine & cooking, health research, financial services, outdoor activities

Customers who register in these industries are high value: companies have reported $50 or more in additional life-time-value per registered customer

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

KEY BUYING SEGMENT: MOMS

Moms register more than average



HIGHLIGHTS

- All but one “Mom” segment over-index in registrations across all channels
- “Working Class Moms” index high on Mobile but under-index with Paper and Web

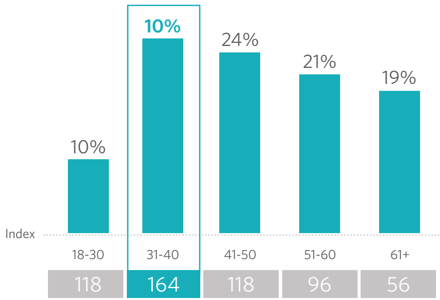
Notes: Registria Data. We analyzed our registration data for 2015 across 100+clients. We used Datalogix (Oracle) lifestyle data to analyze customer segments

IoT CUSTOMERS WHO REGISTER

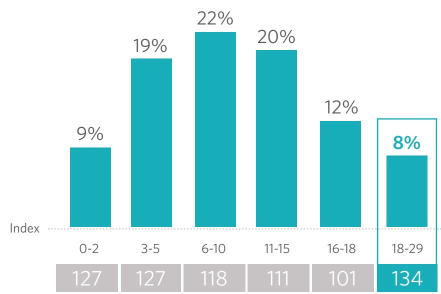
HOUSEHOLD PROFILE: IoT CUSTOMERS WHO REGISTER

IoT customers are similar to Mobile but make more money

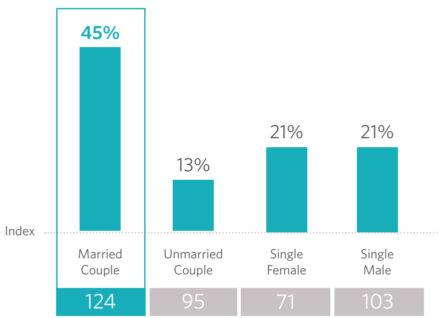
HEAD OF HOUSEHOLD AGE



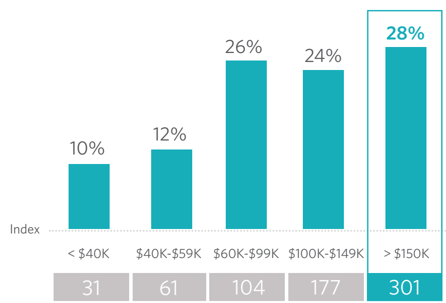
PRESENCE OF CHILDREN (BY AGE)



MARITAL STATUS



HOUSEHOLD INCOME



KEY FINDINGS

IoT customers are similar to Mobile customers:

- Younger (31-40 years old)
- Have Children
- Are Married

But make more income than Mobile customers:

- IoT index high >$150k
- Mobile mean income $75K-99K

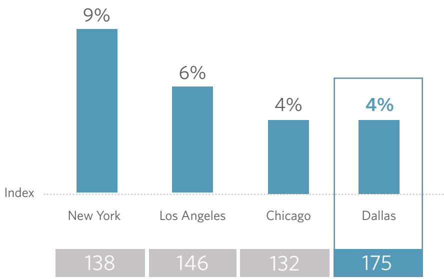
This is a highly attractive segment: young and wealthy

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

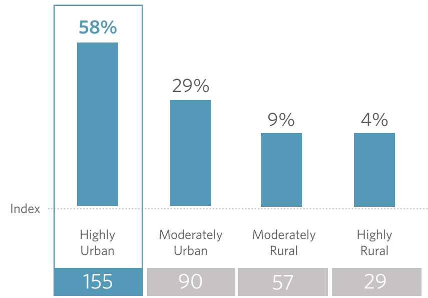
RESIDENTIAL PROFILE: IoT CUSTOMERS WHO REGISTER

Like other registrants, IoT customers are more likely to live in single family homes in urban areas

TOP METRO AREAS



URBAN vs RURAL



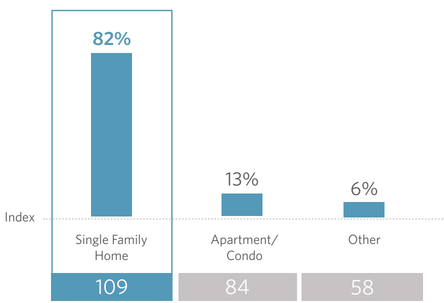
KEY FINDINGS

IoT customers are similar to other customers who register:

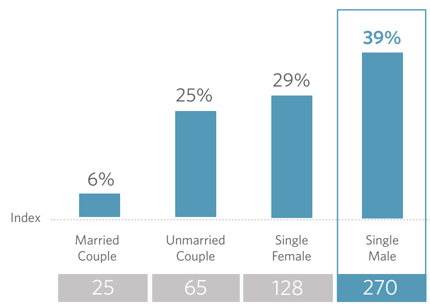
But they index even higher in these attribute customers:

- More live in highly urban areas (58%) vs other registrants (37%+)
- Have even higher home ownership rates : 82% vs 76% for other registrants

HOME TYPE



HOME VALUE

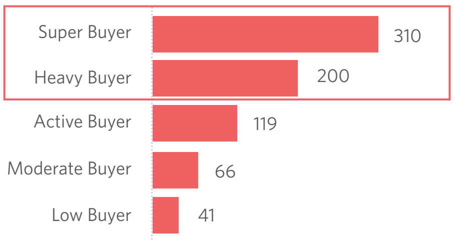


Source: Registria Data, Sampling of 100+ clients + Datalogix Data

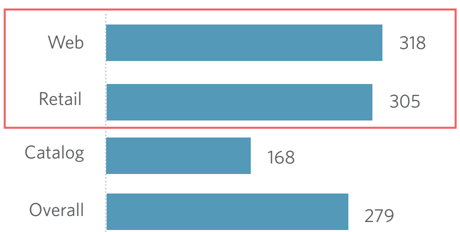
PURCHASE PROFILE: IoT CUSTOMERS WHO REGISTER

IoT customers have significant purchasing power and like to shop

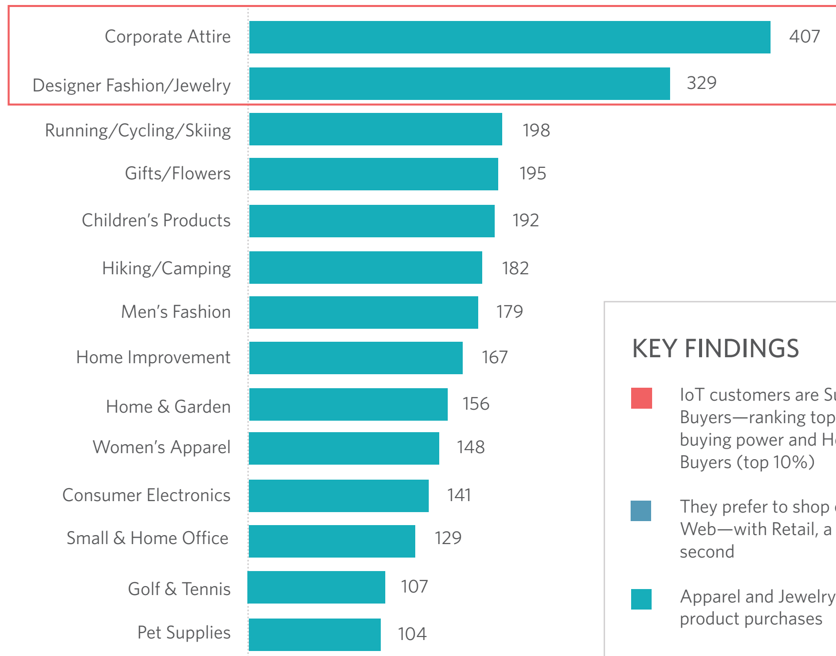
BUYER SCORE



CHANNEL SPEND



PURCHASE PREFERENCES



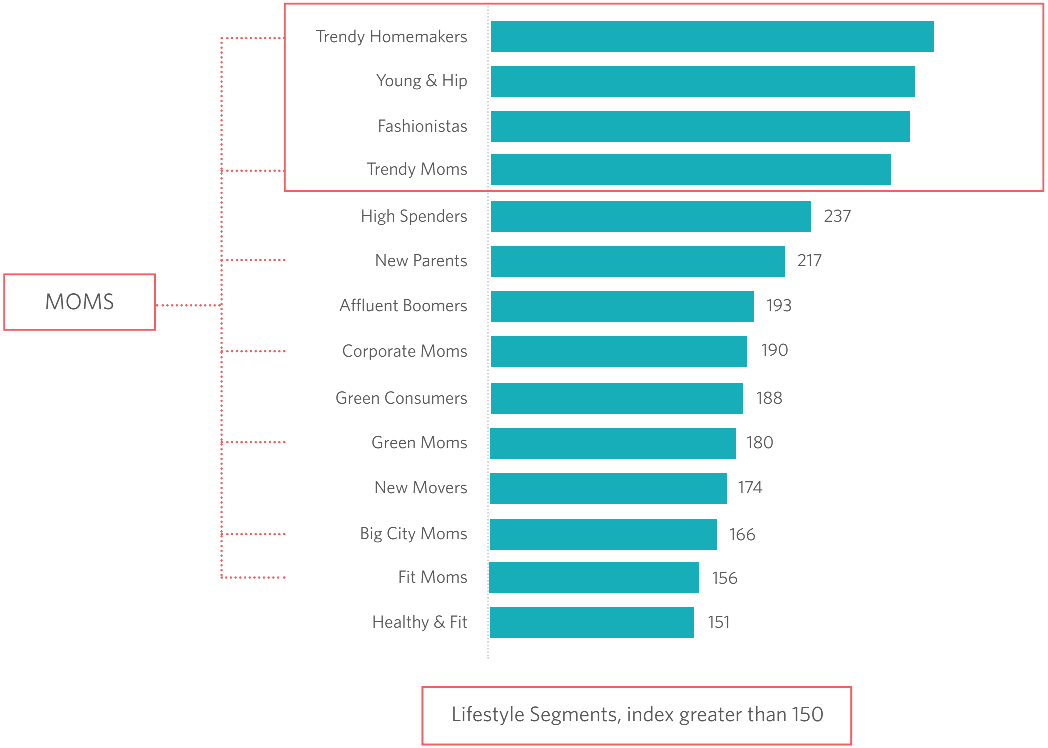
KEY FINDINGS

- IoT customers are Super Buyers—ranking top 5% in buying power and Heavy Buyers (top 10%)
- They prefer to shop on the Web—with Retail, a close second
- Apparel and Jewelry are top product purchases

Source: Registria Data, Sampling of 100+ clients + Datalogix Data

IoT CUSTOMERS WHO REGISTER

Moms who register IoT products are trendy, green, and fit



Source: Registria Data, Sampling of 100+ clients + Datalogix Data

CONCLUSION

Use mobile and IoT to modernize your product registration program and grow your marketing universe

FIND HIGH VALUE CUSTOMERS

Attract new segments who don't typically register

Find more "Super Buyers" and "Super Moms"

Registered buyers give more favorable ratings and reviews

ENGAGE EARLY & QUICKLY

More and more consumers register 24 hours after purchase

MONETIZE THESE RELATIONSHIPS

Grow aftermarket sales by increasing attach rates

Have questions or comments about our report? Contact us by email at info@registria.com

Registria is an award-winning Software-as-a-Service platform that supports streamlined ownership experiences for more than 100 of the world's most recognizable brands. Purpose built for manufacturers, Registria integrates technology with digital marketing to connect a brand's sales, marketing and service capabilities into a comprehensive solution. We enable brands to better understand their buyers, and for buyers to engage directly with the brands they buy throughout the ownership lifecycle . Registria recently launched Photoregister—a mobile registration solution—which provides the fastest way for consumers to register new product purchases via text, email, web, or social messaging

Learn more about Registria at registria.com