



STEELHOUSE

Company Backgrounder: Pioneering Behavioral Commerce

SteelHouse (www.SteelHouse.com) helps eCommerce companies deliver offers to shoppers based on their personality and buying behavior. The company's award-winning technological platform – The Opportunity Machine™ – has been recognized for creating a brand new space: Behavioral Commerce.

Behavioral Commerce: Helping Online Retailers Increase Revenue

SteelHouse offers eCommerce marketers unprecedented insight into their shoppers. For the first time, marketers can truly understand who their shoppers are by their shopping personalities and buying behaviors and – just as important – they can act on that intelligence with real-time, escalating messages and offers that will increase their conversions, sales and revenue.

SteelHouse helps marketers make their *best* offer – the one that converts at the highest rates and at the highest possible margin to maximize their yield-to-conversion/sales/revenue ratios.

The Persistent Problems Facing eCommerce Marketers

1) The inefficient approach of treating every shopper the same:

- eCommerce home pages and online offers treat every shopper exactly the same – regardless of personality traits or different shopping behaviors.
- eCommerce marketers tend to view shoppers through one conversion funnel.
- SteelHouse enables marketers to have hundreds of individual funnels to maximize their yield/conversion ratio and address shoppers based on their distinct personalities and buying behaviors.

2) Low conversion rates for eCommerce sites:

- Roughly 97 percent of people who visit an eCommerce site leave without buying anything.
- While the top-performing sites might get 17 percent+ conversion rates, the rest of the industry achieves far less.

3) Opportunities hidden in mounds of data:

- The largest sites have armies of data analysts and engineers to help them give every site visitor the best possible offer to ensure the sale.

- SteelHouse is bringing that technology to all eCommerce sites, no matter their size or budget without needing data analyst or engineer support.

4) A pervasive lack of transparency throughout the industry:

- eCommerce sites are tired of paying for views or clicks that don't convert, so-called online advertising results that can't be proven, and tech partners that protect their own margins to the point at which they won't tell eCommerce marketers where their online ads are running.
- SteelHouse proves ROI with control groups and total data disclosure.
- SteelHouse shows clients everything the company has access to: placement, profit and performance.

5) Difficulty increasing top-line growth:

- eCommerce companies are always searching for ways to increase top-line growth and are spending money on tests that may never pan out.
- SteelHouse decisively shows, recommends and deploys ads immediately to generate real, no-guess-work top-line acquisition growth.
- eCommerce marketers can stop testing the unknown and start growing the known.

Why SteelHouse is Solving These Problems

- SteelHouse's founders were veteran direct marketers and engineers at companies like eHarmony, E*TRADE, Oracle and the Rubicon Project.
- They experienced the industry frustrations themselves.
- They've proven their ability to build solutions that successfully disrupt existing markets.

Bringing True Matching to eCommerce Marketing

Just as eHarmony changed long-term singles matching using specific personality traits to identify compatible people, SteelHouse is changing eCommerce with Behavioral Commerce using shopper personality traits to better match the right offer to the right shopper at the right time, through the right channel, in the right manner to close the sale.

This gives eCommerce companies information and technology they've never had before – without needing armies of data analysts and engineers. Finally, all eCommerce sites will have the power to dramatically increase their conversions, sales and revenue in a way that truly connects the site and the shopper.

Meet SteelHouse

CEO Mark Douglas has served as vice president of technology at eHarmony, a member of the founding engineering team of the Oracle Applications Division, and vice president of engineering at the Rubicon Project.

Initial investors include Silicon Valley legend Ron Conway, whose investments have included Google, AskJeeves, Paypal and more. Additional funding came from Baroda

Ventures, a venture capital firm founded in 1998 by philanthropist and technology entrepreneur David C. Bohnett, the founder of GeoCities, an Internet-based media company. Baroda has made investments in many successful startups including LowerMyBills.com, Xdrive, Stamps.com, NetZero and others.

Success So Far

SteelHouse has signed up more than 100 eCommerce companies and has gone from zero to 50 million monthly unique visitors within 15 months.

What Makes SteelHouse Different

SteelHouse gives eCommerce marketers the power of a single unified platform – The Opportunity Machine – that pulls double duty to first help them *understand* their visitors' shopping personalities and buying behaviors, and then *immediately deploy* offers via on-site or targeted display ads based on those personalities. It does this while also providing industry-leading campaign management, reporting and optimization.

- Customers can graphically view the incremental lift SteelHouse is providing against a constant control group.
- SteelHouse only charges for *lift* – the conversions a client would not have gotten without SteelHouse. There is no risk to the customer.
- The intuitive customer interface functions on touchscreens – so marketers can find opportunities, set up campaigns and control and deploy ads with a flick of a finger. They don't have to be chained to their desks.
- SteelHouse's proprietary "escalating offers" technology lets marketers make their *best* offer – the one that converts at the highest rates and at the highest possible margin.
- Marketers have the ability to build ad creatives using a drag-and-drop interface without the use of Flash (enabling ads to work on iPads).
- SteelHouse's commitment to transparency – showing clients everything the company has access to: placement, profit and performance.

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