



# STANFORD

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## GRADUATE SCHOOL OF BUSINESS

CASE: M-337  
DATE: 07/28/2010

## BONOBOS: CUSTOMER INTIMACY THROUGH COMMUNITY DEVELOPMENT

*You've got to focus on the product, not the marketing. If word-of-mouth isn't there, it's hard to get to those first 10,000 customers.*

—Andy Dunn, Chief Executive Officer, Bonobos<sup>1</sup>

### FROM SOURCING TO CURATING

Brian Spaly and Andy Dunn, classmates at Stanford GSB, launched the men's apparel company, Bonobos, following graduation in 2007. Their mission was to provide better fitting pants for men. After two successful years selling pants, in March 2010, the team found that customers were asking for additional products. They wanted shirts and accessories including bags, shoes, and belts. Bonobos' challenge was to both launch these new businesses and communicate its direction to existing customers. It needed to spread the word that Bonobos was not just about pants but, more broadly, quality products for men.

Dunn worried that offering other products would dilute the Bonobos pants brand that the company had worked so diligently to build quickly and successfully. He also believed that men viewed quality as category-specific. In other words, a person might buy a BMW vehicle—knowing its quality reputation—but would be less likely to buy a BMW watch or fax machine.

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<sup>1</sup> Matt Kinsey, "Bonobos: an America's Hottest Brands Case Study," *Advertising Age*, November 16, 2009. [http://adage.com/article?article\\_id=140464](http://adage.com/article?article_id=140464), (May 4, 2010).

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Sara Gaviser Leslie and Professor Jennifer Aaker prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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While most apparel companies took on a sourcing role when servicing customers—i.e., the company determined what to offer the customer—Bonobos realized it could have enormous success by acting as a curator, presenting the apparel and accessories that most appealed to its customers and gathering their input in terms of what to offer. When evaluating the landscape of apparel companies, Dunn noted that most companies operated at the extremes: at one end was a company like Ralph Lauren, an apparel company that sold the goods it believed customers wanted, and, at the other end, was Threadless, a T-shirt company that enabled consumers to submit and vote on designs and then sold the most popular designs. Dunn explained that there was “a gaping hole in the middle for a fashion company that actually took input but did something that an individual consumer could never do on its own.”<sup>2</sup>

To fill this void, Bonobos established a community-driven platform where customers could, via social media, commentary, and purchase behavior, eventually affect what the company offered. The Bonobos merchandising team would choose the products they believed the consumer would like, but the Bonobos community would ultimately determine which products were sold.

As Bonobos began to add more products to its site, many of which were suggested or requested by customers, its goal evolved from solving a men’s pants problem to solving a men’s shopping problem. Bonobos would continue to be a primary label offered on the site, but Bonobos.com would serve as the destination for great products offered by other brands as well. (Similar models developed in parallel for the women’s fashion, such as the indie fashion site ModCloth.com with its “Be the Buyer” program and Asos.com, a vertically integrated web retail brand that started as 100 percent private label and then expanded into other brands.) Bonobos.com would simplify the buying process not only for pants but also for many other men’s apparel categories. Further, Bonobos.com would provide access to products that were often made locally but lacked optimal distribution and were ripe for word-of-mouth promotion. These products were simply termed “Stuff” and included shoes, belts, and accessories.

## **LEVERAGING COMMUNITY AND TECHNOLOGY TO PROMOTE AND SELL**

Over 40 percent of customers heard about Bonobos through word-of-mouth recommendations. (An additional 30 percent of customers came to Bonobos through the company’s public relations efforts, while Bonobos targeted the remaining 30 percent through Facebook or other internet marketing efforts.) Connecting with this community enabled Bonobos to market and sell products without investing any marketing dollars in traditional media channels; they could use Facebook, Twitter, and the Bonobos blog to promote their products and gather input from customers.

### **Facebook**

Bonobos ran three main advertising campaigns on Facebook in April 2010.

#### ***Boat Shoes***

Bonobos targeted its boat shoe ads towards people who noted in their profiles that they liked sailing or boating. Bonobos had over 5 million impressions combined between the two ads

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<sup>2</sup> All quotations are from the authors’ interviews in May 2010 unless otherwise noted.

and drove nearly 2,000 people to the company's shoes landing page. The boat shoe ads cost just over \$1,000 (a cost per click of \$0.62). The company estimated a (0.5 percent conversion rate). (See **Exhibits 1** and **2** for data on the Facebook campaigns.)

### ***Collar Stays***

Bonobos marketed its collar stays, including one type that could also be used as a bottle opener and screwdriver, to men in their late 20s who listed their fraternity or listed "drinking" as a hobby in their profile. It was a significant traffic driver—300 people a day to the product page at one point versus a prior count of approximately 25 visitors—but the impact was low, with conversion at only one or two individuals. This campaign cost approximately \$560 before it was discontinued due to lack of conversion.

### ***Bags***

The bag ad was targeted at investment bankers. Performance was mediocre as it did not generate significant traffic. Only 50 people came to the bag page on Bonobos.com, though the ad had 135,000 impressions. These ads cost \$30 each.

### ***"Stuff" Sells***

After launching the "Stuff" offerings in March 2010, Bonobos reached a \$0.5 million run rate (\$1,500/day average) within 45 days. The company expected to reach a \$1 million run rate within two months. "Stuff" quickly became the second-biggest business after pants, ahead of other Bonobos-branded products such as polo shirts, swim trunks and shorts. Further, its success generated inbound requests from various vendors who wanted to offer their products on the site.

Bonobos' total spending on Facebook ads for "Stuff" was approximately \$1,700. The company felt there was ample opportunity to increase penetration and conversion from these ads. It was still in experimentation phase. However, it needed to be sure that its customer acquisition costs were sensible. Lower-priced products like collar stays complicated the company's cost-per-acquisition analysis; these products had lower margins and the customer lifetime value for an accessory purchaser was unknown. If the lifetime value were lower for an accessories purchaser, the company would need to spend less to acquire this customer in order to maintain a profitable transaction. Bonobos spent \$75 per acquisition for a pants customer and was able to stay close to a break-even profit (an average customer spent \$150 at a gross margin of 50 percent = \$75). If Bonobos spent \$75 to acquire a collar stay purchaser, it would lose money on the first transaction.

## **Using Community to Create Customer Intimacy: The Customer Service Ninja**

After tapping into other communities (i.e. Facebook) with targeted ads, Bonobos' next step was to ensure that new and returning customers would continue to see Bonobos as the destination for many of their clothing and accessories needs. Bonobos hoped to become the 2.0 version of the retailer, Barneys, where, as Dunn explained, "customers get excellent products in a simplified way." The company was trying to fulfill a need for something that had been missing in the marketplace ever since the Italian tailor lost prominence—someone who knows your taste, knows what fits you, knows what looks good on you, and knows your name. Further, Dunn explained, "The fundamental problem with the brick and mortar apparel business, from a customer service standpoint, is that it overwhelms the worst employees when things get busy and

bores the best employees when things are slow.” Bonobos felt there was an opportunity to use technology to improve both the customer and employee experience. This was the impetus for launching the customer service ninja program.

Ninjas would be people who took pride in interacting with customers and exceeded customers’ expectations in every interaction, or whenever possible. Bonobos wanted to ensure that employees would, according to Dunn, “be around for the next transaction.” In attracting talent, Bonobos provided the following job description and billed the ninja position as a fun and engaging job:

#### *Jobs - Customer Service Ninja*

*We are looking for Customer Service Ninjas to take our over-the-phone, on-the-web, and in-person customer experience to the next level. A strong work ethic, communication skills, high levels of empathy and selling skills are paramount to this position.*

#### **Responsibilities**

*As with all positions at a rapidly growing start-up, your job will be fast-paced and will frequently evolve. We want someone who is ready to take on a variety of responsibilities while simultaneously executing at a high level of tough service issues.*

*Expect to assume the following responsibilities right away:*

- *Serve as the front line, on-call resource for all customers via phone, email, and in-person.*
- *Quickly and thoroughly solve problems for customers any time deliveries, transactions, and experiences don't go 100% as planned.*
- *Know our catalog and technology inside and out in order to offer style advice and help customers find what products they need to fill their particular needs.*
- *Develop quantitative reports on customer behavior, returned products, and services performed.*
- *Call every new customer after delivery of their order to thank them for their purchase.*
- *Provide thoughtful, strategic insight regarding customer needs to our product, marketing, and technology teams.*

#### **The Ideal Candidate**

*We are looking for someone with superior communication skills and experience directly interacting with customers, but applicants with a demonstrated ability to communicate clearly and build connections with others may also be successful. If you do not have service experience, be prepared to share with us why your background will provide relevant experience to succeed with us.*

*This job is hard. Ninjas need to be prepared for long days in our quest to build a company known for outstanding service. Ninjas synthesize customer feedback and share relevant information with other members of the Bonobos. A ninja will be successful if he or she understands that the individual service interactions define our success in the long run, but that we must sometimes also sacrifice to invest, one of Bonobos’ core values. The perfect ninja aspires to be the best customer advocate in our entire company, delivering superior service and helping design the best service policies and infrastructure in the world.*

#### **Compensation**

*We offer competitive wages and offer equity incentives to all of our employees. As with all of our employees, we want you to be excited to own a piece of the company and to work hand in hand with the rest of us to build a game-changing business. Bonobos is growing quickly and there is a tremendous opportunity for you to impress us with your work ethic and see your responsibilities and opportunities grow substantially over time.*

#### **To Apply**

In order to apply for this position, please send an email to [jobs@bonobos.com](mailto:jobs@bonobos.com) including the following:

1. A few paragraphs about yourself, including the following details:
  - Why you would like to be a customer service ninja and why you think you'd be good at it.
  - What is your personal philosophy on customer service?
  - Name one or two companies that you think have great service and why
  - What is your favorite item on our site? Least favorite? Why?
2. We're creating a daily customer service "dashboard" so we can grade our performance and take a snapshot of the level of service we're able to deliver each day. We want to focus on the right types of measures that translate into a great customer experience. Tell us about 2-3 metrics that we should focus on and how those can help Bonobos deliver exceptional service. What does it take to deliver a great experience and how do you measure it?
3. Include your resume so we can learn a little bit more about you.

Ninjas would become known through direct interaction with customers and social media. Dunn explained that Bonobos' goal for ninjas was for them to "take pride in their interactions with customers and exceed expectations wherever possible. They will not be drones." The company compensated ninjas at levels that were higher than that of salespeople at apparel retail outlets (starting salaries for ninjas were \$35,000 to \$60,000) and offered them equity ownership in the company. Instead of the executives sitting in the office's best real estate, the ninjas sat together in the corner office.

The first customer service ninja was named Marshall. For two years, Marshall was Bonobos' blogger, making him the voice of the company. In addition, as a customer service ninja, he interacted personally with thousands of Bonobos customers over e-mail, at in-person fittings, via Twitter, and by managing the Facebook campaign. When Marshall left Bonobos to move across country, customers started tweeting "what happened to Marshall?" Marshall had been the voice of the Bonobos brand. Fortunately, Bonobos was able to hire additional ninjas, all college graduates. To promote engagement, all Bonobos ninjas had Twitter accounts, enabling them to actively engage with customers.

Bonobos saw social media as the main communication for the company. The ninjas put out a weekly "Social Media Dashboard," in order to keep all team members apprised of their progress. The entry below is an example of one of the weekly updates:

### *FACEBOOK*

*This week we've made more of an effort on Facebook (or at least the stats point in that direction), and we've had some pretty solid interactions.*

***Something to note:*** *from here on out, Facebook is going to be centered around communication with customers i.e. no more messaging intended to drive sales. From a marketing perspective, it makes sense to use our social media presence in very targeted ways so that if customers are looking for a specific piece of information, they know exactly where to find it. In the past we've been broadcasting just about everything on Facebook, Twitter and the Blog with no clear delineation between each of the applications.*

		Total Fans/Followers	Since Last Week
facebook	Facebook	4636	289
twitter	@bonobos	2547	127
	@bonobosninjas	118	33
	@johnbonobos	166	*
	@chrisbonobos	166	*
	@seanbonobos	55	*
	@jamesbonobos	36	*
	@micbonobos	29	*
	@tiffanybonobos	47	*
	@kevinbonobos	34	*
	@stevenbonobos	162	*
	@mhondorp	132	*
	@donrichman	314	*

### BONOBOS BLOG

*The blog over the past two weeks has gotten a ton of customer interaction with customer comments peaking at 146 for the week of May 9. The majority of the comments came from the Palm Print Pant naming contests. We got tons of great (and hilarious) naming ideas and in the words of Miss Kate Grimm, "there was a lot of great stuff but then someone suggested the Palm Sellecks and it was all over."*

**Something to note:** *As with Facebook, the blog will from here on out be broadcasted as a curated style guide, a style resource for our customers. Our goal is to be a solution center for our customers, telling them how to complete their outfits and their wardrobe. Thanks to our Bonobos Stuff page, we've been making huge strides in that area and this change to our messaging on the blog is the keystone. No, not the beer, calm down Salberg.*

*The week of May 9 was on trend with prior weeks but this week (of May 16) was the first time that more traffic was driven to the blog via Twitter than Facebook. Just under 15% of new customers came directly through Twitter versus the 8.8% coming from Facebook. Interesting stuff and with the increased Twitter activity coming from the Ninja team, I think we've really been able to make some headway in generating interest in what we're saying as a company. Bravo guys! In celebration, Monday will be Congratulate Your Local Ninja Day. A handshake, love tap or even a beer will do--whatever you think is appropriate.*

Blog Stats						
Week	Number of Blog Posts	Number of Comments	% Blog Traffic From Facebook	% Blog Traffic From Twitter	% New Visitors From Facebook	% New Visitors from Twitter
5/16/10	5	37	4.33	4.81	8.8	14.58
5/9/10	6	146	4.62	3.56	6.95	11.5
5/2/10	3	12	3.49	3.38	3.88	8.8
4/25/10	3	28	25.9	19.6	35.6	10.4
4/18/10	3	53	*	*	*	*

### TWITTER CONTEST

*So the last two weeks have been trying for me. Dealing with the loss of my first place title was hard and doggonnit I got it back! That's right, Steven BlackMagic Tartick has been surpassed by yours truly. Taste it, punk.*

**Something to note:** *As with the blog and Facebook, our Twitter presence is being streamlined. From now on, it's going to be more about driving sales with moment-of notifications to get lots of attention and increase the sense of urgency within our core customer.*

*If you haven't witnessed or been a part of the wicked Tweet battle between T.Poppa and myself, you have been missing out. It's been pretty epic and yes, Tiffany has years of "funny" under her belt but don't worry, we're not letting her head get too big. Gotta keep her in check. If you have any witty, ego-deteriorating quips you think would be particularly effective in this fight to the death, send 'em my way. Gotta bring the pain.*

Twitter Contest - "Who can gain the most followers?"				
Handle	Contest Tally	Since Last Week	Starting Number	Total
<b>chrisbonobos</b>	166	71	0	166
<b>stevenbonobos</b>	162	49	0	162
<b>seanbonobos</b>	55	16	0	55
<b>jamesbonobos</b>	36	5	0	36
<b>johnbonobos</b>	32	6	127	166
<b>micbonobos</b>	29	6	0	29

*That about wraps it up! Thanks for taking the time to read, send feedback my way so that this can be a useful tool for everyone. Have a great weekend and see you tomorrow at my party!*

## Driving and Managing Engagement

Once it established strong relationships with customers, Bonobos wanted to leverage these relationships for the benefit and engagement of both customers and company. The company was managing or planning several initiatives that would engage the customer and let the customer drive Bonobos' offerings. While the Facebook campaigns to sell "Stuff" had been successful, the company determined that it was more interested in using Facebook for communication rather than promotion. Dunn explained that Bonobos' goal was not to rebuild its website on the Facebook page: "I'm not going to say we won't do any promoting of products or launches. There will be some of this. But 70 percent of the focus will be on getting input from the customer."

For instance, Bonobos used its Facebook page to poll its customers on whether or not it should get into the children's or "baby bonobos" business. Customers' reactions to this potential new business are shown below:

The screenshot shows a Facebook post from the Bonobos page. The post asks, "Should we make Baby Bonobos & BonoBoys?" and is dated May 18 at 7:21pm. It has 18 likes and 50 comments. The comments include:

- Alex Lewis:** "Please don't. I think that's rule #1 on how to diminish your brand. I'd rather see you put r&d into real menswear products like the LONG overdue shirts." (May 18 at 7:50pm)
- Jason Nickel:** "my 2 cents (or 5 for that matter) it's a tricky thing and can be distracting. Obviously great for exposure into a new market, but where you stand on your value prop? What I mean is, are you the authority on men's pants as makers and other iconic pieces as merchants? Have you really solidified your position there? Cliche' but true, every house needs a strong a permanent foundation first." (May 18 at 7:56pm)
- Bonobos:** "I love our community. You learn something every day. Alex sorry we're slow on shirts! They're hard to get right... Great feedback though I'm loving it. - andy" (May 18 at 7:57pm)
- Carl Nelson:** "I'm in agreement with Alex. Focus on your A game (kick ass mens wear)." (May 18 at 8:00pm)
- Bonobos:** "I want to hear why we should from someone. the counterpoint. who knew facebook could be so-socratic..." (May 18 at 8:04pm)
- Kieran MacGillicuddy:** "Those segments are generally profitable however you tend to market the pants at a young-professional demographic which generally doesn't have children. This means you can't sell these new products to your existing customers and importantly I think it would devalue your brand, why would hip young professionals want to be associated with a kids brand..." (May 18 at 8:08pm)

The post also features a photo of a person in blue shorts and a plaid shirt performing a handstand. Below the photo is a text box: "We couldn't find pants that fit. We don't like shopping. Bonobos became the answer." and an "Information" section with "Founded:".

Additionally, Bonobos used its Twitter account to ask a “question of the day” on anything from what to name a new style of pants to which colors were best for polo shirts offered on the site.<sup>3</sup>

The company also planned an initiative that would elicit customer feedback on every purchase. Specifically, when a customer made a purchase from Bonobos, Bonobos would send them a coupon in return for detailed feedback on the product. (By enticing all shoppers to provide feedback, they hoped to avoid the perennial problem of extreme user reviews, where buyers who loved or hated a product spoke loudest. Bonobos felt that it was important to capture the opinion of those consumers who did not have the strongest feelings in order to get an accurate overall picture of the customer base.) Bonobos felt a \$20 “bounce-back” coupon would drive loyalty, as Dunn explained: “Why do people buy from Bonobos? One reason, we hope, is because they have \$20 of store credit. The more they shop, the more value they will experience and the more likely they will be to return to the site and leave comments. We are creating a social network of sorts.”

Through its blog, Bonobos was also offering the opportunity for customers to suggest brands they would like Bonobos to carry. Bonobos would run that test, and then provide feedback to the customer based on his/her suggestion. For example, Andy Dunn began to follow (on Twitter) the winner of a contest where two customers suggested names for Bonobos’ new blue pants. The conversation was detailed on the Bonobos blog, below:

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<sup>3</sup> Caroline McCarthy, “Can the Twitterati Help Sell Your Soda Pop?” *CNet*, August 13, 2009, [http://news.cnet.com/8301-13577\\_3-10308619-36.html](http://news.cnet.com/8301-13577_3-10308619-36.html), (May 5, 2010).

## Gargamel, what have you done?

Andy Dunn — April 2, 2010 @ 3:24 pm

When it comes to [Gargamel's Revenge](#), there can only be one winner.

But who should it be? Should it be the Phillip Rothian stylings of Rob Churchwell? Or the every man's presentation of the man who goes by JoeFish. They're both winning the pants, but you, Bonobos, you, are the final judge.

Vote 1/Rob or 2/Joe via [Twitter](#), blog comment, or [Facebook](#).

1/Rob:

It was a war of attrition. The beleaguered sorcerer paid dearly: in patience, in dignity. His mind grew dark and twisted, clouded by the fumes of his potions. He plotted. He planned. He stroked his mangy cat and let a slow, dry cackle escape his lips.

In the end, the fall of the tiny blue civilization came from within. The alchemist found his patsy in a put-upon self-styled "Smensa" member who had received one too many gift-wrapped IEDs. The revolution was swift and bloody. Mushrooms burned through the night. The Lilliputian recreant looked on, his eyes dead behind his miniscule spectacles. Come dawn, he would find himself on the business end of the apothecary's familiar.

They won the battles. He won the war. You win the pants.

Gargamel's Revenge are as neutral as pre-WWII Belgium. Go light or dark if you choose to go blue. There is no middle ground. Avoid black robes and red leggings.

2/Joe:

There are a lot of theories when it comes to the Smurfs; one female Smurf, all those mushroom houses... the list goes on.

Now, a real Smurf might look naked with these blue pants against their blue skin, but fortunately, most of our customers aren't blue. So, may we present Gargamel's Revenge. Gargamel thought he could wear these pants and shrink himself down to Smurf size, then sneak into the Smurf village and cause some major havoc. Good thing he is a total dummy and didn't realize that Smurfs wear WHITE pants. Better luck next time, Gargamel.

We'll tally the votes, and announce a winner Monday afternoon. Then we'll move on to the Redrums. Congratulations to a number of our runners-up whose excellence is being recognized with a little somethin' somethin'.



Source: Bonobos Blog.

The company felt that there was tremendous energy in its consumer community. Traditional public relations efforts no longer drove traffic to Bonobos. Instead, Facebook and Twitter were the top two sites that led to Bonobos; every week, Bonobos fans and followers grew. To fully capture the power of this community for the company's and customers' benefit, Bonobos was both creating special offers for consumers, and engaging them to leave their mark on the company.

## VISION

Bonobos hoped to connect with customers in order to both obtain feedback and fulfill customers' needs as satisfactorily as possible. It was establishing a new paradigm in online shopping, Dunn explained:

In the last decade and a half, online retailers focused on owning a product category or deep vertical. For instance, Amazon.com began with books,

Diapers.com with diapers, and Zappos started with shoes and then built out around these categories. The future, however, depends on online retailers who focus on owning the customers, not owning the product and expanding it to multiple applications. This will be known as “conversational commerce” because there will be a dialogue with the consumer. The product vertical will no longer be the focus of the business; the customer will power the brand.

## Exhibit 1 Facebook Data

### BOAT SHOES FOR PEOPLE WHO LIKE BOATING

Ad Name: **Heave Anchors in Style** [edit](#)      Run Status: **Active** [edit](#)      CPC Bid: **\$0.86** [edit](#)      Targeting: **who live in the United States**, **age 23 and older**, **who are male**, **who like boating**, **who graduated from college** [edit](#)

Suggested Bid: \$1.38 - 1.66 USD

week of: **Apr 25**

Imp.	Clicks	CTR (%)	Avg. CPC (\$)	Avg. CPM (\$)	Spent (\$)
04/09/2010	46,015	10	0.02	0.76	0.19
04/09/2010	145,499	31	0.02	0.77	0.16
04/28/2010	487,525	123	0.03	0.74	0.19
04/27/2010	465,900	154	0.03	0.73	0.24
04/26/2010	0	0	0.00	0.00	0.00
<b>Lifetime</b>	<b>1,135,939</b>	<b>318</b>	<b>0.03</b>	<b>0.74</b>	<b>0.21</b>

**Preview**



**Heave Anchors in Style**

Getting your boat shoes at Bonobos is simple, so you have more time to talk about gunwales and golywobblers. Peter D. Piper likes this ad. [Like](#)

[View on Profile](#)

### BOAT SHOES FOR PEOPLE WHO LIKE SAILING

Ad Name: **Heave Anchors in Style** [edit](#)      Run Status: **Active** [edit](#)      CPC Bid: **\$0.86** [edit](#)      Targeting: **who live in the United States**, **age 18 and older**, **who are male**, **who like sailing**, **who graduated from college** [edit](#)

Suggested Bid: \$0.98 - 1.22 USD

week of: **Apr 25**

Imp.	Clicks	CTR (%)	Avg. CPC (\$)	Avg. CPM (\$)	Spent (\$)
04/30/2010	62,260	21	0.03	0.80	0.27
04/29/2010	180,757	60	0.03	0.79	0.26
04/28/2010	208,066	63	0.03	0.76	0.23
04/27/2010	378,692	83	0.02	0.74	0.16
04/26/2010	489,393	121	0.02	0.72	0.18
04/25/2010	544,635	155	0.03	0.69	0.20
<b>Lifetime</b>	<b>4,079,956</b>	<b>1,484</b>	<b>0.04</b>	<b>0.59</b>	<b>0.21</b>

**Preview**



**Heave Anchors in Style**

Getting your boat shoes at Bonobos is simple, so you have more time to talk about gunwales and golywobblers. Peter D. Piper likes this ad. [Like](#)

[View on Profile](#)

## BAGS FOR INVESTMENT BANKERS

Ad Name: **Pitchbook Camouflage** edit  
 Run Status: **Active** edit  
 CPC Bid: **\$0.81** edit  
 Suggested Bid: **\$1.02 - 1.24 USD**  
 Targeting:  
 • Who live in the United States  
 • age 23 and older  
 • Who are male  
 • Who graduated from college  
 • Who work at Credit Suisse, Deutsche Bank Group, Goldman Sachs, Merrill Lynch, Morgan Stanley, UBS or Lazard edit

week of: **Apr 25**

Imp.	Clicks	CTR (%)	Avg. CPC (\$)	Avg. CPM (\$)	Spent (\$)
04/30/2010	1,631	1	0.06	0.57	0.41
04/29/2010	5,519	1	0.02	0.75	0.12
04/28/2010	32,667	11	0.03	0.33	0.19
04/27/2010	93,193	26	0.03	0.64	0.22
04/26/2010	3,470	4	0.12	0.64	0.74
04/25/2010	755	0	0.00	0.00	0.00
<b>Lifetime</b>	<b>137,707</b>	<b>46</b>	<b>0.03</b>	<b>0.63</b>	<b>0.21</b>

**Preview**



**Pitchbook Camouflage**

It's not just a bag; it's the most stylish way to hide all those pitchbooks. We're Bonobos and we've been there.

Peter D. Piper likes this ad.

[Like](#)

[View on Profile](#)

## COLLAR STAYS FOR WORKING FRAT GUYS

Ad Name: **Collar stays for working frat guys** edit  
 Run Status: **Campaign paused** edit  
 CPC Bid: **\$0.72** edit  
 Suggested Bid: **\$0.62 - 0.74 USD**  
 Targeting:  
 • who live in the United States  
 • between the ages of 22 and 28 inclusive  
 • who are male  
 • who like alpha chi signs, alpha delta phi, beta ... See More  
 • who graduated from college  
 • who are interested in women edit

week of: **Apr 25**

Imp.	Clicks	CTR (%)	Avg. CPC (\$)	Avg. CPM (\$)	Spent (\$)
04/30/2010	0	0	0.00	0.00	0.00
04/29/2010	519,492	241	0.05	0.53	0.25
04/28/2010	693,382	302	0.04	0.50	0.22
04/27/2010	25	0	0.00	0.00	0.00
04/26/2010	2	0	0.00	0.00	0.00
04/25/2010	0	0	0.00	0.00	0.00
<b>Lifetime</b>	<b>2,763,010</b>	<b>1,438</b>	<b>0.05</b>	<b>0.39</b>	<b>0.20</b>

**Preview**



**Collar stays for working frat guys**

Collar stays that open beers? Go ahead working man, hide a bit of College in your shirt.

Peter D. Piper likes this ad.

[Like](#)

[View on Profile](#)

## Exhibit 2 Facebook Ad Campaign Raw Data

IMPRESSIONS GENERATED						
Date	Boating	Sailing	Boat Shoes	Collar Stays	Bags	All Campaigns
4/15/2010				683,781	1,550	685,331
4/16/2010				706,049	3,242	709,291
4/17/2010				160,279	2,109	162,388
4/18/2010				0	641	641
4/19/2010				0	326	326
4/20/2010				0	3	3
4/21/2010		203,311	203,311	0	0	203,311
4/22/2010		858,367	858,367	0	921	859,288
4/23/2010		692,939	692,939	0	175	693,114
4/24/2010		461,528	461,528	0	305	461,833
4/25/2010		544,635	544,635	0	755	545,390
4/26/2010		489,393	489,393	2	3,470	492,865
4/27/2010	465,900	378,692	844,592	25	83,193	927,810
4/28/2010	484,525	208,066	692,591	693,382	32,867	1,418,840
4/29/2010	145,499	180,757	326,256	519,492	6,519	852,267
4/30/2010	43,653	69,131	112,784	0	2,151	114,935
<b>Total</b>	<b>1,139,577</b>	<b>4,086,819</b>	<b>5,226,396</b>	<b>2,763,010</b>	<b>138,227</b>	<b>8,127,633</b>
CLICK THRU GENERATED						
Date	Boating	Sailing	Boat Shoes	Collar Stays	Bags	All Campaigns
4/15/2010				466	1	467
4/16/2010				362	0	362
4/17/2010				67	0	67
4/18/2010				0	0	0
4/19/2010				0	0	0
4/20/2010				0	0	0
4/21/2010		145	145	0	0	145
4/22/2010		389	389	0	0	389
4/23/2010		255	255	0	0	255
4/24/2010		152	152	0	0	152
4/25/2010		155	155	0	0	155
4/26/2010		121	121	0	4	125
4/27/2010	154	83	237	0	28	265
4/28/2010	123	63	186	302	11	499
4/29/2010	31	60	91	241	1	333
4/30/2010	10	22	32	0	1	33
<b>Total</b>	<b>318</b>	<b>1,445</b>	<b>1,763</b>	<b>1,438</b>	<b>46</b>	<b>3,247</b>

Notes: The daily impressions per campaign diminish over time. This occurs because Bonobos purchases ads on a cost-per-click basis and Facebook is optimizing for its own revenue. (Bonobos' ads' click through rate starts to fade as it begins to generate impressions for people who have already seen the ad. Facebook starts to cut back on the number of impressions it send because the ads have become less profitable. The collar stay impression level drops off after the first days because the company drastically lowered the bid after witnessing few conversions. Bonobos

increased the bid once it got conversion tracking in place to confirm that this was the case. Upon verifying the low conversion on this ad, it was then paused and impressions went to 0.)

Source: Bonobos, Inc.