



Enter The Digital Marketing *Fast Lane*

Optimize Ad Spend To Drive
Sales Lift In Near Real Time

retail
TouchPoints®



COMMERCE
SIGNALS®

ENTER THE DIGITAL MARKETING FAST LANE

OPTIMIZE AD SPEND TO DRIVE SALES LIFT IN NEAR REAL TIME



What if a football coach couldn't see the game, the player stats or the score in real time, and had to wait two weeks before giving feedback? That doesn't work in sports, and it doesn't work in business. Maybe it's time to run marketing like a coach.

Retailers are struggling to keep up with consumer expectations and to produce effective advertising campaigns. Less than half of all campaigns are doing a good job of reaching the right buyers, according to a recent study.¹ Additionally, if the creative is weak, in both TV and digital campaigns, sales lift suffers. **Strong creative delivers an average 84.5% impact on sales** versus 11% for weak creative.

When retailers have to wait to find out that their campaigns were not effective, it's too late to correct the problem — the sales are already lost. But when campaign performance data is delivered in near real time, marketers can pivot mid-campaign and save a significant percentage of sales, as well as customer loyalty.

This white paper will outline the key benefits of receiving quick access to campaign performance in near real time, based on real transaction data. Retailers will be able to **boost sales, improve customer engagement, increase average order value** and **build a larger customer base** with the ability to:

- 1 Measure The Impact Of Ad Campaigns Within 3 Days
- 2 Quickly A/B Test Different Promotions
- 3 Adjust Media Buys Quickly To Target The Right Audience At The Right Time And Place
- 4 Assess Campaign Performance Across Touch Points
- 5 Convert Ineffective Creative Into Compelling Content Mid-Campaign

¹ Nielsen Catalina Solutions, *Five Keys To Advertising Effectiveness*, August 2017



MEASURE THE IMPACT OF AD CAMPAIGNS WITHIN 3 DAYS

1

1 You've spent months creating a digital ad campaign for your latest new product release. How will you know if the campaign is resonating with your target audience?

While clicks on the display ad can give you some indication of interest, they don't tell the whole story. Consumers often click on an ad unintentionally, or they may ignore digital ads intentionally. Both of those scenarios don't provide the correct information about the shopper's interest in the brand or product.

But with the ability to capture the actual transaction data tied to specific marketing tactics within 72 hours, retailers can make the necessary corrections before the campaign concludes.



STRATEGY IN ACTION:

A top U.S. retailer was challenged to restore sales growth to its stores, while simultaneously reducing its marketing spend. By measuring the incremental sales driven by a series of digital marketing tactics within two days after campaign launch, the retailer found that only three of the 10 tactics significantly grew sales both in-store and online. This near-real-time measurement enabled the retailer to shift spend to the tactics that worked best and more than double the sales driven by the campaign. If the retailer had relied on clicks alone, the sales lift would have been 1.2% versus 3.0% delivered by the ability to shift tactics mid-campaign.



QUICKLY A/B TEST DIFFERENT PROMOTIONS

2

2

You're working with a great creative agency that has developed two unique and compelling ad campaigns. Will one work better than the other with a specific target audience segment? During a certain time of day?

If you can quickly and easily try out different scenarios around target audience, recency, digital and physical channels, and creative, you will be able to pivot quickly to deliver the right messaging to the right audience via its most frequented channels.



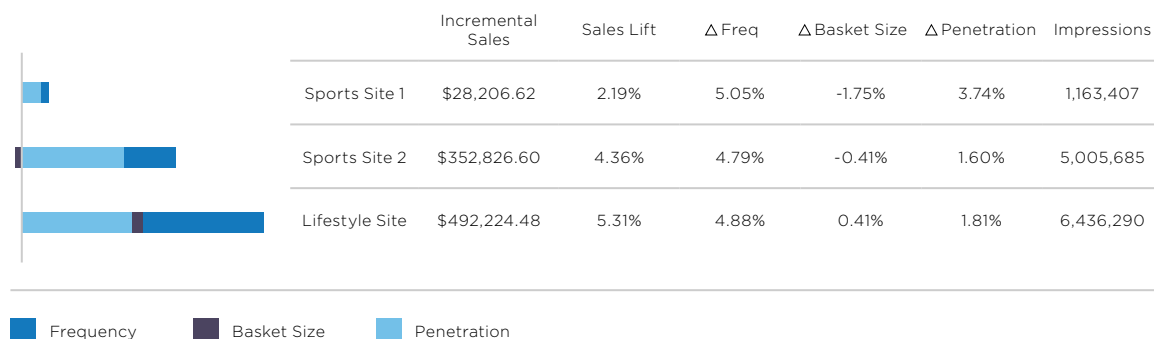
STRATEGY IN ACTION:

By assessing a campaign via a number of different advertising channels, a national restaurant chain was able to pinpoint the right time and place for its messaging. In one example, the chain advertised on two different sports-oriented web sites: One delivered a 4.36% sales lift versus 50% less from the other, at 2.19%. But a lifestyle site had the greatest impact, at 5.31%. Another relevant insight from this study was the change in average purchase amount. While all of the publishers drove more paying customers, only the lifestyle site drove an increase in the average ticket.



REPORTING INSIGHTS: SALES LIFT DETAILS

INCREMENTAL SALES DECOMPOSITION



ADJUST MEDIA BUYS QUICKLY TO TARGET THE RIGHT AUDIENCE AT THE RIGHT TIME AND PLACE

3

Many factors can make or break a good media buy. And when you're looking at spending more than \$300,000 for a 30-second TV ad, more than \$100,000 for a national newspaper ad, or \$50 per lead for a direct mail campaign, you want to choose wisely.

Today's marketers have an increasing number of choices when it comes to media buys. In addition to more traditional print media and TV, companies must consider the value of advertising via mobile apps, social media, and paid search. When it comes to email campaigns, is batch-and-blast the most effective method or are more personalized, smaller-segment emails the way to go? What types of retargeting messages are most effective?

With the ability to tie near-real-time sales data to the media spend, retailers can salvage significant investments by adjusting the tactics within a few days vs. months. Mid-campaign adjustments can be based on accurate data rather than educated guesses.



STRATEGY IN ACTION:

Using a demand side platform (DSP), a retailer measured the sales impact of placing the same seasonal ads with many different audiences bought as part of a campaign. The difference in sales impact was stark: Several audiences **delivered incremental sales between 3% and 7.8%**. However, several others delivered no measurable lift. Armed with this insight, the DSP was able to adjust the media to shift spend towards audiences, which drove more incremental sales.



ASSESS CAMPAIGN PERFORMANCE ACROSS TOUCH POINTS

4

4

Any consumer activity that can be tracked can be measured. Measurement provides a path toward action. Google calls this “closing the loop”. No company can improve margin without reliable view of what works and what does not work. Campaigns which are optimized by audience, device, publisher, date/time and more can have a 200% to 400% greater performance than those that do not. With access to aggregate sales data, retailers can determine if one group of people viewed an ad on mobile, another via a laptop, which specific audience had the best sales lift, which date/time delivered the best sales lift, etc. Each campaign can be analyzed and adjusted based on the retailer’s specific business goals and the consumer reaction.

For example, you may think your target audience of running shoe purchasers includes primarily wealthy, full-time executives who wait until they get home from work to spend time shopping. So, you plan a media buy for 6pm to 10pm time slots. But, the fact is, your audience gets up before work to go out for an early morning run, then spends time researching running tips and new product purchases on the way to work. Your 6pm media buy really should be 6am. By making the switch mid-campaign you see a 10% sales lift. Campaign saved!



STRATEGY IN ACTION:

A leading clothing retailer’s digital campaign included two types of ads: standard display and rich format display. As expected, the standard display was purchased at a much lower cost. And to the retailer’s great surprise, the standard display ads in this campaign delivered more than double the sales lift of the rich format ads. In other campaigns, results were reversed. The retailer’s digital partner was then able to go back and compare what else might be behind this result: *Was it different audiences, difference placements, viewability or something else?* After further investigation, the campaign was optimized to achieve significantly improved business results.



5 CONVERT INEFFECTIVE CREATIVE INTO COMPELLING CONTENT MID-CAMPAIGN

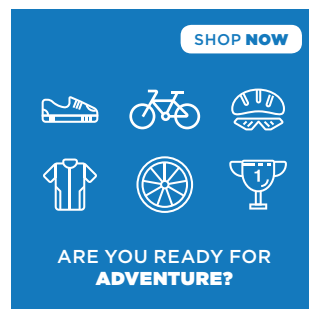
5

You've heard that more consumers are interested in educating themselves about how to buy and how to use products, so you ask your creative team to put together an instructional video designed to teach consumers the best way to choose a new sneaker. It's a great, quick-hitting, 1-minute segment that you launch into the marketplace just in time for the spring season, then wait for the results. Three months later you're struggling to figure out why the product is not moving off the shelves, since an impressive number of consumers clicked on the call to action (CTA) button to watch the video.

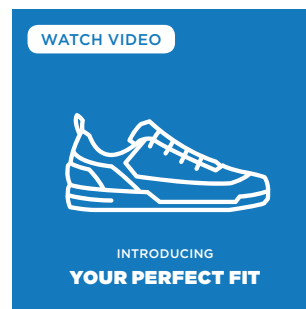
What if, instead, you discovered lackluster results within the first week of the campaign, then took a different approach that focused on your target customers' yearning for adventure — featuring a “Shop NOW” CTA. You'd find that a few days later the new ad delivered a 4% sales lift, and the spring season is saved!



TIMELY AD MEASUREMENT EXAMPLE



Ad A +4% Lift



Ad B No Lift



STRATEGY IN ACTION:

A big box retailer measured the sales impact of three different ads mid-campaign. Two of the ads did not significantly drive incremental sales. The third ad, however, drove sales by 5.3%, including both a lift in purchasing traffic (3.5%) and a lift in basket size (1.8%). Armed with this insight, the retailer was able to make the right decisions to do more of what was working.

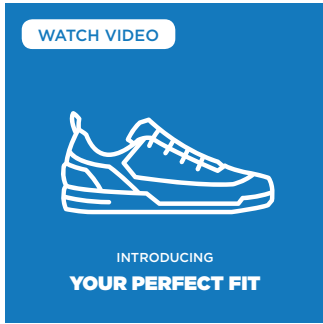
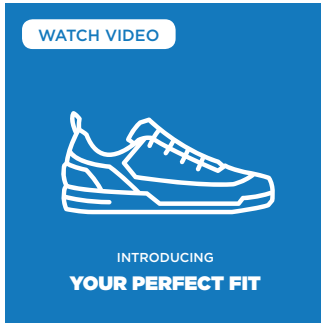


KNOW WHAT'S WORKING IN TIME TO TAKE ACTION

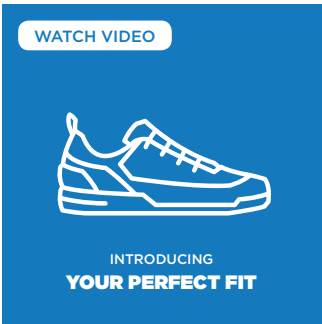
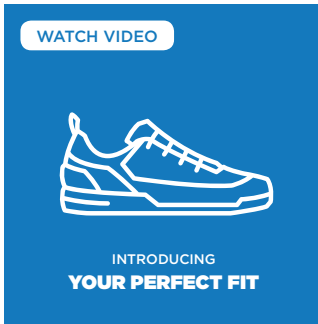
Optimize by publisher

 <p>Ad A +4% on espn.com</p>	 <p>Ad A +1% on cnn.com</p>
----------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------

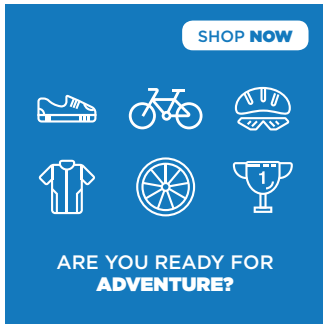
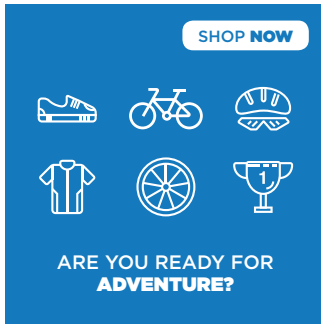
Optimize by device

 <p>Ad B +3% on mobile</p>	 <p>Ad B no lift on desktop</p>
----------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------

Optimize by exposure date/time

 <p>Ad B +10% on mornings</p>	 <p>Ad B no lift on evenings</p>
------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------

Optimize by audience

 <p>Ad A +4% with active dads</p>	 <p>Ad A no lift with new moms</p>
------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------



DEBUNKING STALE PERFORMANCE METRICS



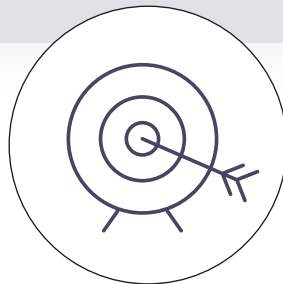
Marketers have been relying on a variety of metrics to assess campaign performance, but with limited and questionable results:

- **Clicks, views and likes** only tell part of the story when it comes to attribution. They show high-level interest or engagement, but can't accurately measure sales lift.
- **MMM (Marketing Mix Modeling)** can take 3 to 6 months to deliver results, and also requires 3 years' worth of historical data.
- **MTA (Multi-Touch Attribution)** can deliver results in 3 weeks, but by focusing on digital marketing, MTA models typically sacrifice data about offline activity and under-values sales that would have happened organically, even without marketing efforts.



SALES LIFT IS THE ULTIMATE MARKETING METRIC:

With access to near-real-time sales measurement, retailers can uncover specifics about which campaign tactics are delivering results, then complete effective mid-campaign adjustments. Sales can be salvaged, whether the problem was the result of poor reach, targeting, view-ability, bots or fraud.



SPEED THROUGH THE MARKETING FAST LANE



It's a no-brainer: if you can uncover near-real-time sales results following the launch of a campaign, you can make changes that will almost immediately improve the bottom line. The campaign ROI can be saved, whether it focused on mobile, TV, online or other components.

Other types of performance metrics offer challenges — from uncertainty to time lags — leaving the marketing team with too-little, too-late results to react to. This whitepaper has outlined 5 ways near-real-time sales metrics can help **boost sales, improve customer engagement, increase average order value** and **build a larger customer base**.

Tactics like A/B testing, campaign timing, channel focus and more can be quickly tested, changed, then re-tested mid-campaign. Low-performing creative can be changed and updated to more effectively connect with the target audience at the right time and place. And media buying can be more accurately selected based on representative purchase data vs. misleading sales proxies.



LEARN MORE



In under 72 hours, Commerce Signals identifies which marketing tactics are driving incremental sales in-store and online. With faster in-store sales lift measurement, retailers, their agencies and media partners can optimize mid-campaign for improved sales results. Our self-service tool enables drilling into campaigns by creative, publisher, ad exchange, audience and much more. With our timely and granular data, you can eliminate wasted impressions. For example, if you see that your ads with one publisher are not driving incremental sales, you can shift the spend to one that is. Reach out for more information and a demo: info@commercesignals.com

info@commercesignals.com



Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The *Retail TouchPoints* network is comprised of three weekly e-newsletters, special reports, web seminars, exclusive benchmark research, an insightful editorial blog, and a content-rich web site featuring daily news updates and multi-media interviews at www.retailtouchpoints.com. The *Retail TouchPoints* team also interacts with social media communities via Facebook, Twitter and LinkedIn.

info@retailtouchpoints.com | 201.257.8528

