



XXL uses insights from Google Store Visits to drive a new omni-channel approach

About XXL

- Sports retailer serving Nordic region
- 66 physical stores
- Established e-commerce platform

Goals

- Foster omni-channel growth
- Capture all relevant demand each month
- Drive in-store footfall

Approach

- Adopted Google Store Visits measurement

Results

- Over 11% of clicks led to a store visit
- More than 20% of clicks within 5km of a store resulted in a visit
- Almost 60% of all store visits came from mobile ad clicks
- Estimated offline revenue from search twice as high as online revenue
- Omni-channel ROAS three times as high as pure e-commerce ROAS

With 66 stores as well as an established e-commerce platform in Norway, Sweden, Finland and Denmark, XXL is the largest sports retailer by revenue in the Nordics. Their business model is simple: a large selection of products, famous brands and low prices. They're now planning to expand into more European markets, starting with Austria next.

Until recently, XXL's focus in AdWords was around online efficiency metrics, such as return on ad spend (ROAS). However, the team felt the emphasis on keeping ROAS high could potentially slow down overall revenue growth, so they wanted to correct any mismatch between internal omni-channel growth ambitions and online KPIs. They were also using fixed monthly budgets, so they wanted to revisit this approach to be sure of capturing all relevant demand throughout each month since the traditional approach to budgeting doesn't reflect the new reality of digital in which the consumer is constantly connected. Finally, they wanted to explore options in using online marketing to drive more people into stores.

When Google launched Store Visits, it meant that advertisers could precisely count how many store visits digital search ads were driving. XXL adopted the new measurement methodology and quickly saw that over 11% of all clicks were resulting in a visit to one of the brand's physical stores.

Based on the new metrics, XXL, together with their agency iProspect, could calculate the full omni-channel ROAS (online and offline) to see the real business impact of online search investments. The new insights led XXL to develop new strategies. First, they established one unified target to measure the effect from search on both online and offline activities. They also revamped the mobile offer since mobile devices played a clear role not only in driving online sales, but also in driving offline store visits. And rather than using pre-fixed monthly budgets, they decided to let the search demand in the market determine the volume. In other words, instead of letting budgets determine profits, they allowed profits to determine the budget. Finally, they differentiated between campaigns driving products likely to be purchased online and those that had more sales success offline, assigning different bid and optimisation strategies to each.

The new approaches have more than paid off. Today almost 60% of all store visits come from a mobile ad click. More than 20% of clicks within 5km of a store result in a visit, while the estimated offline revenue from search is twice as high as online revenue. The omni-channel ROAS is three times as high as pure e-commerce ROAS. With the new omni-channel focus, XXL has driven significantly more visits into stores and has greatly increased omni-channel revenue. XXL has now shifted from thinking of e-commerce and offline sales in silos to becoming a full omni-channel player with omni-channel KPIs.

