



Search drives in-store transactions for Clas Ohlson, as AdWords store visits reveal a 400% increase in ROI

Founded in 1918 as a mail-order business based in the Swedish village of Insjön, Clas Ohlson opened their first store 1926 and has since grown to 200 locations, selling hardware, home, leisure, electrical and multimedia products throughout the Sweden, Norway, Finland, UK, Germany and Dubai.

Having their roots in mail-order, the emergence of the Internet was embraced early, with Clas Ohlson's e-commerce launched in 1997. A mobile version was then deployed in 2012 to capture the growing traffic coming from mobile phones. "Being quick to follow consumer behaviour is much needed in the retail industry where competition is fierce," observes Claes Bergström, Group CMO at Clas Ohlson.

Connecting consumer behaviour across online and offline

Clas Ohlson's 200 physical stores are spread across six countries and received a total of 76 million visitors last year, contributing a large majority of the brand's 7.6 billion SEK in sales. "Already from the start, we've managed Clas Ohlson's search campaigns from an omnichannel perspective," says Morgan Jensen, Head of Digital Marketing at Tre Kronor, media agency for Clas Ohlson Sweden.



"There's no online customer vs offline customer, just a consumer behaviour that spans both digital and physical interactions. And we need to be able to connect both!" adds Sema Schmidt, CMO for Clas Ohlson Sweden.

Armed with the insight that many of their in-store customers research online and on mobile before making a purchase, Clas Ohlson wanted to find a way to quantify and optimise this behaviour. To do this, they began measuring store visits through AdWords in Sept 2016.

Businesses that rely on visits to physical locations - like hotels, auto dealerships, and retail stores - can use AdWords store visits to help see which search keywords and campaigns drive the most store traffic. This helps advertisers more effectively measure their return on investment (ROI), so they can make informed decisions about ad creative, budgets, bids, and overall marketing strategy.

About Clas Ohlson

- Electrical hardware store founded in Sweden in 1918
- 213 stores in 6 countries
- www.clasohlson.com

Goals:

- Understand the true impact of mobile advertisement
- Develop accurate understanding of Search campaigns effect on total (online and offline) bottom line
- To gain insights around what products that are more prone to drive people to stores rather than the webshop

Approach:

- Adjust mobile presence according to what value mobile provides to stores
- Make use of store visits data in bidding optimisation to increase footfall in stores
- Increase visibility for keywords that relates to products which people want to buy in the store rather than online

Results:

- For every 1 transaction on mobile phones, there were 36 transactions in-store
 - The impact of search is 5x higher when taking store visits in consideration
 - Clas Ohlson learned that 4 different product categories really drive people to the store
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Store visits: helping to achieve marketing milestones

Tre Kronor quickly integrated store visits data with their search campaigns, and began to optimise. The retailer immediately saw large numbers of people visiting stores, especially as a result of mobile searches. Using their average in-store conversion rate, Clas Ohlson could see that for every online conversion coming from mobile, they received an additional 36 transactions in store. As Claes Bergström explains, "Being able to see how online demand for our products translates into visits to our stores marks a milestone in how we are able to measure our marketing efforts."

By applying their in-store average order value to these additional transactions, Clas Ohlson saw that their search campaigns drove 5x the value they'd observed when only measuring online conversions.

"We knew that online had an impact on what's going on in stores but this was an astonishing result. It's great to have the data behind our hypothesis around omnichannel," says Sema Schmidt, who also points out that the store visits data provided insights into the relationship between individual product lines and consumer preference for online or in-store purchase. "Now we can have separate strategies in terms of creatives, targeting and bid tactics for products we know will get a person to a Clas Ohlson store rather than purchasing from the webshop," explains Sema.

Clas Ohlson plans to roll out this approach to all markets where they have store visits data available and use the findings to further drive their marketing optimisation. "Digitalization gives us tools to better understand consumer behaviour, drive sales, build loyalty and offer service to our customers. AdWords store visits data has really enabled us to make these insights actionable!" says Claes Bergström, summing up the potential of this data.