Don’t be misled by these online-to-offline marketing myths

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Jeremy Hull, VP of Innovation at iProspect, looks at some of the things that might be holding marketers back from bridging digital and brick-and-mortar experiences.

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As modern-day marketers, we know that consumers move seamlessly between their digital and physical worlds. Even when they choose to shop in brick-and-mortar locations, mobile often gets them to the nearest store. In fact, 76% of people who search on their smartphones for something nearby visit a business within a day—and 28% of those searches result in a purchase.[1]

Most marketers understand the importance of measuring this online-to-offline activity, but there is still confusion about the solutions available, how valid the measurement is, and how to take action on the results.

Below, I’ll share a few of the online-to-offline marketing myths that have taken root and what iProspect has learned about overcoming them.

Myth 1: Online and offline marketing KPIs should be treated separately

Real-life consumer behavior shows us that people shop whenever and wherever they want. To get a complete picture of performance, marketers have to look at online and offline KPIs holistically.

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When you're making important decisions about where to invest budgets or focus optimizations, only factoring in online performance is like trying to get around a foreign country with only half the directions. It's that much harder to reach your goals.

You don't want to miss opportunities to improve performance by ignoring offline metrics. We show our clients their store visits data in AdWords to prove that they're undervaluing a large segment of the customer base that goes online to find store information.

One of the key reasons it can be challenging for marketers to actively optimize against a blended online-offline metric is that e-commerce and in-store teams frequently operate separately, without alignment on the same goals. I've literally heard clients say, "Why should I use my budget to give the guys down the hall credit for this performance?" Ultimately, it's critical to work with leaders in the C-suite to help break down these barriers and make the organizational changes needed to ensure teams are working toward the same goal, independent of channels.

Myth 2: I can't take action without perfect data

Don't make perfect the enemy of good. Digital marketers often fall into the trap of thinking that data isn't actionable unless it's "perfect" or "complete." They've become too comfortable with measurement and attribution frameworks built for a desktop world—a world with linear and easy-to-track consumer journeys, where users click on an ad then purchase on a website from the same device.

Store visits are calculated by extrapolating data to represent the broader population. Despite the statistical rigor behind it, we often hear from clients that they can't make business decisions using "estimates." But any offline measurement solution will require extrapolations, especially if it prioritizes user privacy, notification, and choice by allowing people to actively turn location tracking on or off.

This data is crucial for developing estimates that tie your online investment back to your revenue goals. We've seen that applying a simple average-order-value calculation to store visits data has been a powerful way for marketers to understand the offline revenue generated by their online ads. And with more advanced tools for store sales measurement, marketers can see how digital campaigns are driving actual in-store transactions.

Myth 3: Testing is too risky for my brand

Brands that move the needle are ones that are willing to bust the status quo. They don't stick with how things have "always been done." Rather, they adopt a test-and-learn mindset and are regularly striving to improve performance.

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Staples is a great example of this. Over the past few years, iProspect has worked closely with the brand to evolve an online-to-offline marketing strategy that supports both the website and 1,100 stores across the United States.

Staples has always mined its search data to find emerging product trends and new opportunities for keyword expansion. We discovered that a large number of search queries have strong local intent (for example, people searching for "office supply stores near me").

With that insight, we tested new local keyword categories, prioritizing ones that have a combination of strong search volume, high store visit rates, and profitable retail ROI. We also used distance reporting in AdWords to experiment with more precise geotargeting and bids around a radius. Ultimately, we identified that store visits within 15 miles of a Staples location have the lowest cost-per-visit.

Today, Staples has moved away from using online ROI as its only KPI. Store visits data is now critical to the brand's bidding and budget decisions, particularly on these new hyperlocal campaigns. This approach resulted in 124% more store visits from non-brand campaigns between 2015 and 2016, while reducing the cost-per-visit by 33%.

Fact: You must have a single goal

Marketers today need to remove any tensions between offline and online performance, and ensure they're looking at how these channels complement each other. To do this, internal and external brand teams must be aligned on a singular, overarching goal of driving revenue and profit growth. Only then will they really begin to unlock the in-store benefits of their digital campaigns.

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Sources

1 Google/Purchased “Digital Diary: How Consumers Solve Their Needs in the Moment,” May 2016. Smartphone users=1,000, local searchers=634, purchases=1,140.