



Sears Outlet Drives In-Store Traffic With Google Local Inventory Ads

About Sears Hometown and Outlet Stores

- Local retailers of home, garden and sporting goods
- Headquarters: Hoffman Estates, Illinois
- www.shos.com

Goals

- Reach local customers on mobile with targeted messages
- Improve sales in brick-and-mortar stores
- Measure and quantify the impact of digital marketing

Approach

- Ran Local Inventory Ads from Google AdWords
- Brought store-level inventory data to shoppers in real time
- Measured offline return on ad spend (ROAS) from digital ads

Results

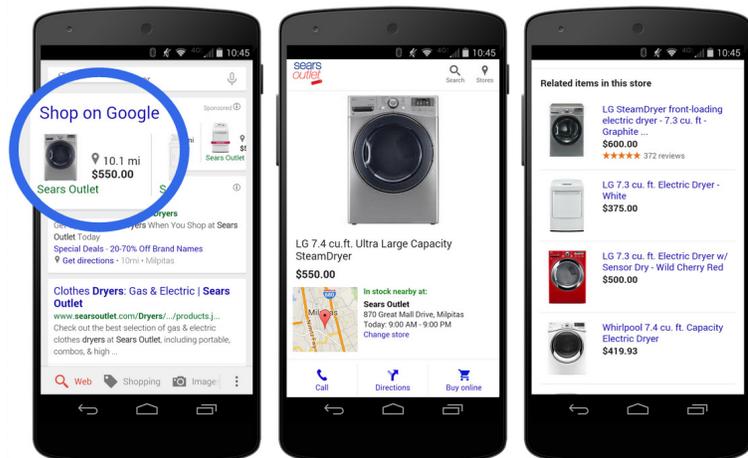
- Boosted store visit rate by 122%
- Grew CTR by 16%
- Yielded ROAS higher than other offline marketing
- Increased ROAS 5X versus TV advertising
- Earned \$8 of instore sales for each dollar invested on local inventory ads

Founded in 2012, Sears Hometown and Outlet Stores (SHOS) brings major value in home and garden goods to shoppers across America. Although the company also sells online, it primarily reaches customers through more than 1,200 physical locations across America, Puerto Rico, and Bermuda. To help bring new customers into these stores, the retailer turned to local inventory ads (LIAs) from Google AdWords.

Drive offline-only sales

Local inventory ads make it easy for online shoppers to see products that are immediately available in local stores. The ads include information such as store locations, hours, product availability, price, and other store-specific information.

“Our marketing has evolved at Sears Hometown and Outlet Stores, and we’ve proven the ability of online channels and social media to drive directly measurable sales for offline-only offers,” says David Buckley, the company’s chief marketing officer. “What we’re doing with local inventory ads is a perfect example as they are designed to drive brick-and-mortar sales. We’ve been closely monitoring their performance and our most recent analysis points to more than \$8 of in-store sales for each dollar invested.”



Local inventory ad

Local storefront

Related items in store

“Nothing more targeted”

“My team is responsible for all marketing,” Buckley explains. “So we look at things holistically, and we have more flexibility in where we invest. I believe our structure is what allowed us to quickly execute on an opportunity such as local inventory ads.”

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— David Buckley, chief marketing officer at Sears Hometown and Outlet Stores

Local inventory ads "fit perfectly into our strategy of using digital tools to drive store traffic," Buckley adds. "If people are searching for a product on their phones, there is nothing more targeted than serving that item with a picture, description, and price while letting the customers know exactly how far they are located from the product."

Mobile is local

Google local inventory ads meet the needs of today's mobile users, says Buckley. "Consumers looking for products on mobile are more likely to be looking locally than when doing basic product research on a desktop. Local inventory ads get mobile users that information faster."

Since LIAs are designed to drive people to stores, "there is tremendous opportunity for items that are not sold online," Buckley says. "For a variety of reasons, not everything sold in a store is available on a retailer's website. LIAs directly answer that problem. Our ability to provide store-level inventory data in real time through our Google product feeds made us a great candidate to leverage this capability."

Higher ROAS

SHOS also used store visits data from estimated total conversions reporting in AdWords. Store visits are estimates based on aggregated, anonymized data from a sample set of users who have turned on location history.

This data is extrapolated to represent the broader population, providing retailers with insights into how ad clicks impact foot traffic. That's especially helpful for mobile, in which ad clicks are often followed by a store visit.

"We measured offline return on ad spend (ROAS) using store visits and found that Google local inventory ads performed toward the top of our offline marketing vehicles," Buckley says. "When we compared our most recent performance of local inventory ads with offline media typically used to drive store sales, such as a recent broadcast television campaign," Buckley explains, "local inventory ads returned in-store sales at more than 5X the rate of TV advertising for each dollar spent."

The results

Investing in Google local inventory ads paid off handsomely for SHOS. Its click-through rate (CTR) was 16% higher when compared with Google Product Listing Ads (PLAs). On average, its stores saw an impressive 122% increase in store visit rates over PLAs.

Paid search and local inventory ads are clearly driving in-store traffic for SHOS from both mobile and desktop. "We've always known that our digital efforts had an impact on store traffic, but it was difficult to quantify," Buckley says. "Google has helped us not only with the ad formats themselves but has also helped us quantify their impact."