CASE STUDY

L'Oréal closes the loop between search and in-store sales

L'ORÉAL®

There are more than 100 million online searches for cosmetics and beauty products in Australia every year, and things aren't slowing down. The opportunity for consumer packaged goods (CPG) beauty brands like L'Oréal is tremendous, but understanding the correlation between search advertising and sales, whether in-store or online, has proven challenging, as most CPG brands are B2B operations with limited access to retailer sales data.

Until recently, even as the world's largest cosmetics company, we weren't able to track how our online media spend contributed to actual in-store purchases in mass distribution networks. Tracking offline purchases for a CPG business like ours presents an ongoing challenge: our mass brands aren't sold on our website and knowing a consumer bought one of our products in a store doesn't prove that our advertising was what prompted him or her to do so. Searches in the beauty and personal care category are up 9% YoY, and L'Oréal needed to be able to connect those clicks to brick-and-mortar purchases.[1]

So when we went to Google asking for help in proving the value of our search investment, we knew we had a tricky but important problem on our hands.

Pairing search results and supermarket sales

Together with Google, we teamed up with a leading data provider that had access to in-store supermarket transactions to combine data from a few consumer interaction points. We mapped out a journey that tracked a consumer from seeing a L'Oréal ad through the purchase funnel to actually buying one of our products in-store. Consumers were given a unique Google ID after clicking a L'Oréal ad. They were also given a loyalty ID after logging into their supermarket loyalty account. We then cross-referenced those two anonymous IDs to find out when consumers made an in-store L'Oréal purchase.

This allowed us to finally measure and track the efficacy of our search campaigns. For the first time we were able to see the dollar value of our digital media spend on keywords and how it directly translated to brand revenue.

About L'Oreal
- Founded in 1908, L'Oréal is the world's largest cosmetics company.
- Headquarters: Paris, France
- loreal.com

Goals
- Measure the impact of online search marketing on in-store purchases
- Optimise keywords and online creative to replicate top-performing work

Approach
- Partnered with retailer to access final in-store transaction data
- Cross-referenced search data with in-store data to calculate impact of online spend

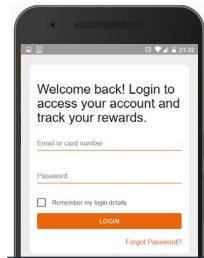### Results
- 50% of paid search clicks led to offline purchases
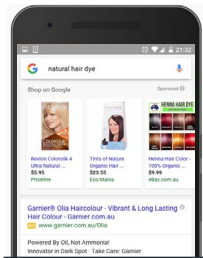
Google Search Ad
Google ID: 1388477
Search Term: "natural hair dye"

In-store purchase

Retail rewards program
Google ID: 1388477
Loyalty ID: JMVMMH

Optimising with sales results and search insights

Over the course of nine months, we collected enough data to extrapolate search-influenced transactions at a national level. One in every two of our paid search clicks had an offline purchase associated with them.[2] Furthermore, by incorporating offline sales we were able to uncover high-performing campaigns, which in several cases had twice the return on advertising spend.

Analysis of these highest-performing campaigns led to some unexpected insights around key performance drivers. We had always known that branded terms performed well, but the results showed us that inspirational, trending, and non-branded terms such as "natural hair dye," "best bb cream in Australia," and "how to do smoky eyes" also drove strong ROI. We used this new information to further saturate our most effective campaigns and any new campaigns with successful search terms.

Cracking the industry's performance challenge

Having a better understanding of the correlation between online search advertising and offline sales is critical to our brands, and partnering with Google helped us build a custom solution to achieve that goal. Putting the campaign together and getting the data access we needed proved to be a complex exercise, but the results reassured our team of the impact of our search ads on sales. We're now embracing new approaches to measurement rather than focusing solely on branding. Now we can add search performance to our list of learning successes.
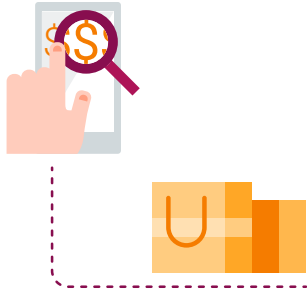
50%
of paid search clicks led to offline purchases.

Measuring the impact of media activity has been a challenge for CPG brands like ours up until this point, but the campaign provided valuable insights that will allow us to optimise future campaigns that focus on conversions. The booming online retail marketing and the increased presence of voice-enabled devices represent our industry's next major hurdles, but in partnership with Google, we've crossed this tricky challenge off our list.

Christophe Eymery

Head of Digital and Media at L'Oréal ANZ

Sources

1 Google Internal Data, Beauty & Personal Care Category, 2017 vs. 2016, Australia.

2 L'Oreal AdWords Data, Supermarket Loyalty Card Data, Supermarket Sale Data, Feb. 2017–Oct. 2017, Australia.