

JUMBO



The influence of SEA on offline purchases

A Case Study by Jumbo Supermarkets

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Jumbo

Wants to become the #1 food omnichannel retailer in the Netherlands

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Increasing complexity in the customer journey makes it difficult to prove impact on the bottom line

Consumers
behave in
different ways

Marketers lack
understanding of
new touchpoints

Marketers are
overwhelmed by
data



The supermarket chain Jumbo faces some additional challenges



**What is the impact of
online advertising of primary goods
in food retail?**

**How does online advertising
influence brick & mortar store visits?**



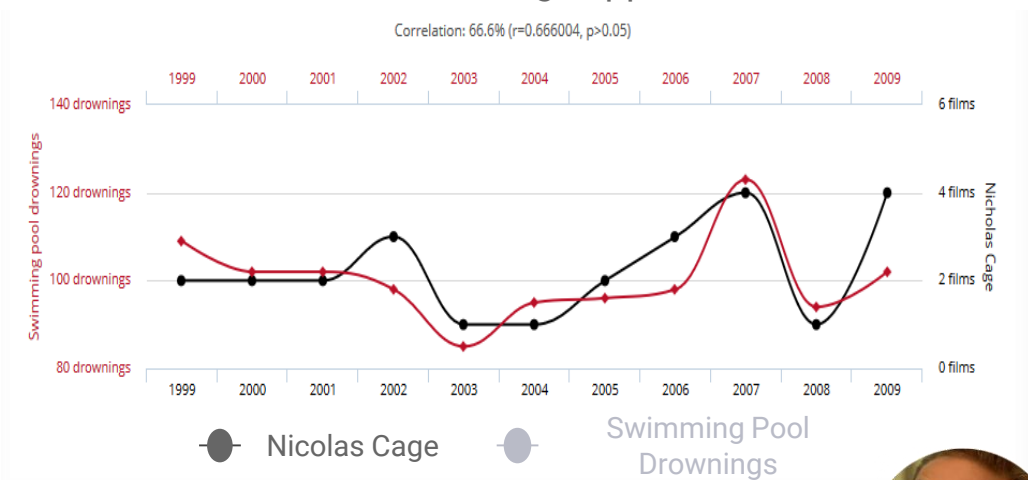
Research question

Does Paid Search influence Supermarket offline sales?

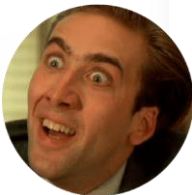
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Testing A/B with “Drafts & Experiments” shows correlation

Number of people who drowned by falling into a pool
correlates with
Films Nicolas Cage appeared in

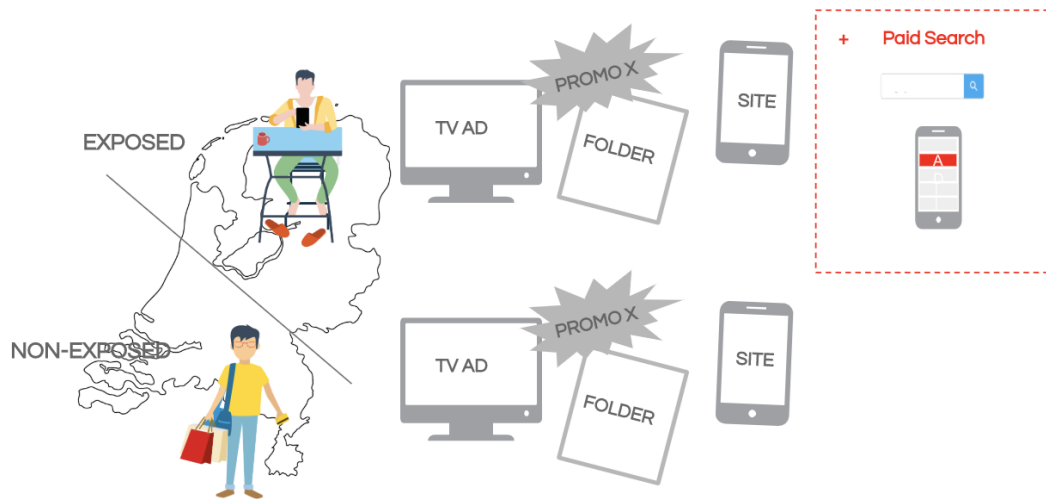


Data sources: Centers for Disease Control & Prevention and Internet Movie Database



- Pragmatic approach
- Capture **impression-level** or query-level user behaviour to ads
- Are easy and help us understand which ad variant / bid strategy leads to more **clicks**
- Run at **campaign-level only** and measures campaign's performance

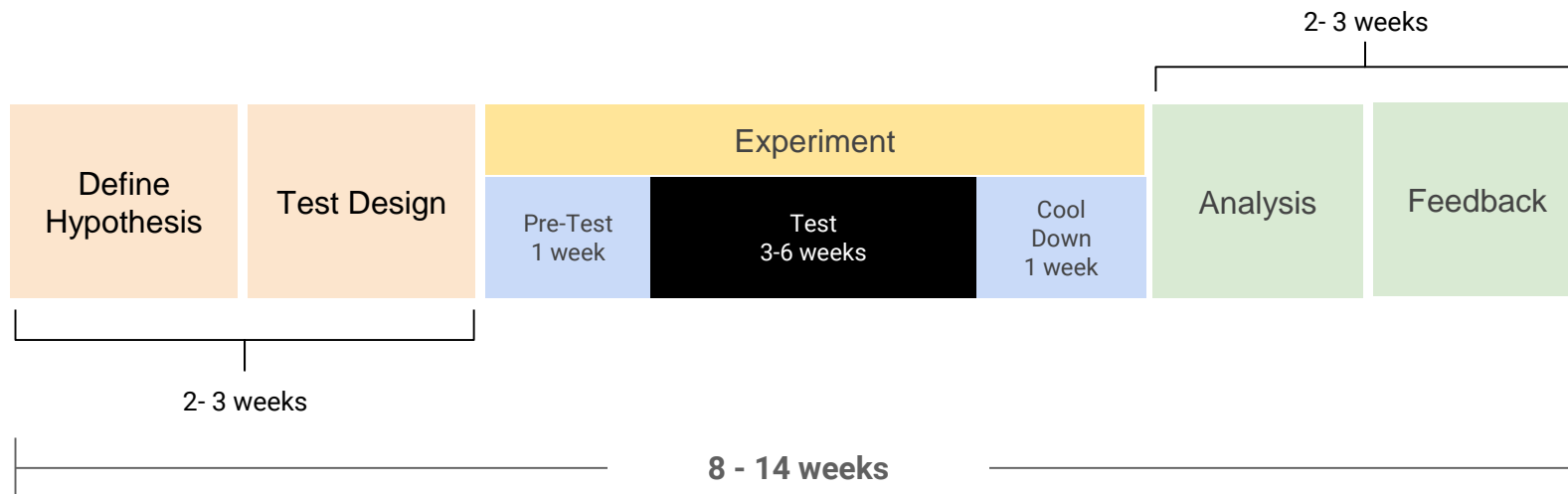
Geo experiments shows causality



- **Gold standard** for measuring incrementality of advertising investment changes and measures long term behaviors of users to ads
- **Robustly** grounded in statistical research help us understand how our users **convert because of** sustained ad exposure
- **Transparent**: open source, reproducible methods

Downside: **Resource-heavy** and advertisers needs to commit on **test design, budget & actionability**

What does a solid Geo test look like?



Pre experiment

- Define success metric
- Historical data
- Feasibility check

During experiment

- Monitor spend levels
- Observe user behaviour

Post experiment

- Isolate effect
- Build the action plan

Things to consider

Topic	Worst practice	Best Practice
Hypothesis	<i>"How does Generic Search campaigns drive additional in-store revenue?"</i>	<i>"Investing in Generic Search campaigns influences in-store revenue."</i>
Budget and Duration	<p>Budget: Test budget of 30.000Euro on influenced revenue worth of 10 mln.</p> <p>Duration: Rotate tests per week and pause test campaigns.</p>	<p>Budget: Test budget should be around 1% of the to be influenced revenue.</p> <p>Duration: Typically 4-6 weeks. Longer experiments will yield better chances of success</p>
Data Requirement	Revenue figures tracked on high level - granularity like category / monthly	Revenue figures internally tracked for the last 90 days (minimum) at day and postal code level
Measuring results	Don't act	Act on insight of incremental stores sales because of your ad investment by involving client & agency

IN PRACTICE: JUMBO SETTING UP A CONTROLLED EXPERIMENT



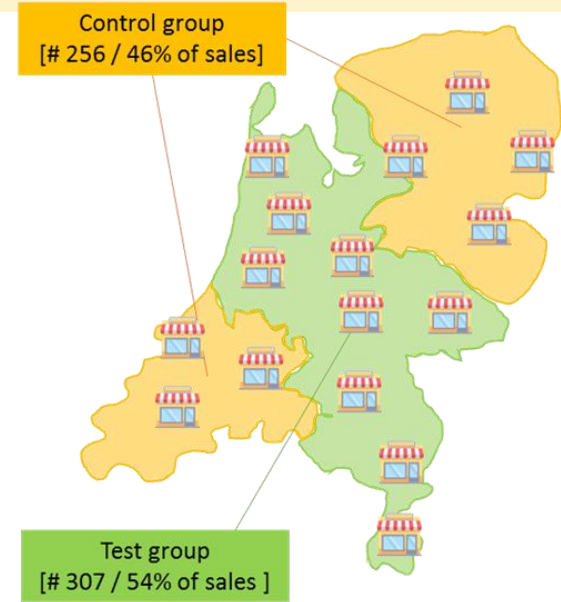
We carefully selected our sample group



The Netherlands divided into postcode areas for local targeting of Search Engine Advertisements



Test and control group equally divided over rural and urban areas minding forensic movements. Dividing the most densed area 'de Randstad'



Test and control group division based on store transactions and turnover

The test group was manipulated through SEA campaigns.

Promotion on daily consumer goods

Jumbo wasmiddel aanbiedingen – Wasmiddelen: 2+1 gratis

Ad www.jumbo.com/wasmiddel/aanbieding

Jumbo Jaaraanbieding: 2+1 gratis op verschillende merken. Bekijk de aanbieding.

Jumbo wasmiddel aanbiedingen – Wasmiddelen: 2+1 gratis

Ad www.jumbo.com/wasmiddel/aanbieding

Het hele jaar in de aanbieding: Alle Ariël en Robijn wasmiddelen 2+1 gratis.

Display of specialty products

Jumbo – glutenvrije producten – Groot glutenvrij assortiment

Ad www.hallo.jumbo.com/producten/glutenvrij

Bij Jumbo volop keuze uit glutenvrije producten. Kom naar jouw Jumbo.

Jumbo – glutenvrije producten – Groot glutenvrij assortiment

Ad www.hallo.jumbo.com/producten/glutenvrij

Bij Jumbo volop keuze uit glutenvrije producten. Bekijk ons assortiment.

Jumbo foto taarten – Kies je winkel en afhaaldatum

Ad www.hallo.jumbo.com/gebak

Haal nu de mooiste foto taart bij een Jumbo bij jou in de buurt

Jumbo foto taarten – Kies je winkel en afhaaldatum

Ad www.hallo.jumbo.com/gebak

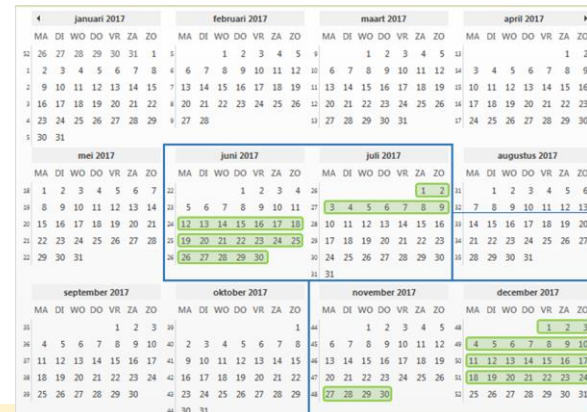
Gemakkelijk en snel af te halen bij een Jumbo supermarkt bij jou in de buurt

3 ad groups

The proposition divided into price (cheap) and product (hard to come by).
splitted tests to optimise according to best performing ad*.

A
B
SPLIT TEST

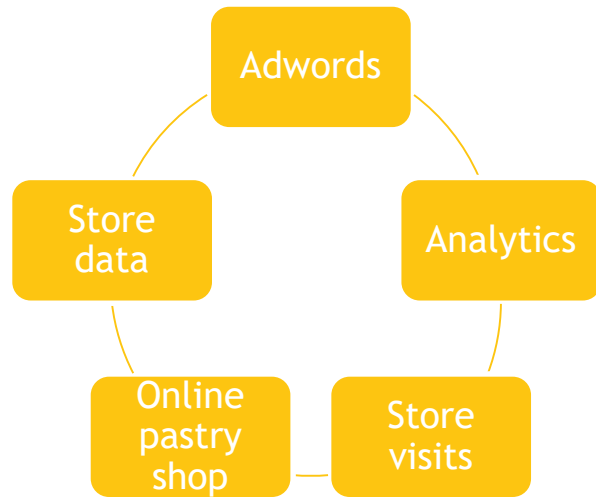
The test was performed twice in one year to examine effects over the long term.



Adgroup 1 + 2:
Testing glutenfree products and discount on detergents from week 24 till 27

Adgroup 2 + 3:
Testing glutenfree products and cake assortment from week 48 till 51

Primary data was collected from various sources to ensure validity.



DATA COLLECTION;

Displayed ads,
Clicks,
Landings,
Google store visits
Store transactions per product
Store transactions per store
Costs
Age
Gender
Location
Devicetype

The effects of SEA
on store visits

The effects of
various
communication
offers on store visits

Mediating effects of
mobile devices or
location on store
visits

THE RESULTS



Overall the test group showed a less positive uplift in transactions

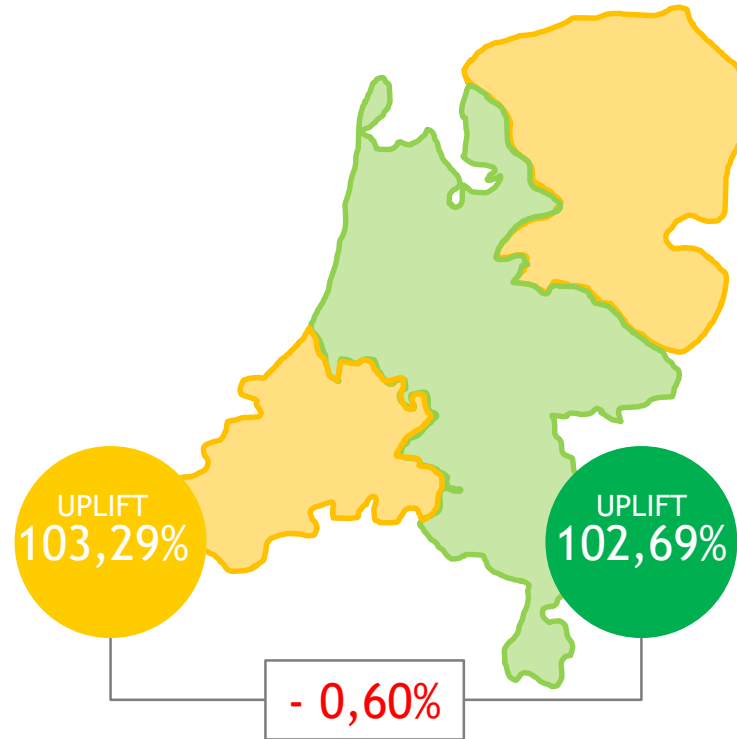
RESULTS:

- a less positive uplift for the test group
- TNo significant proof that SEA has positive impact on transactions in stores

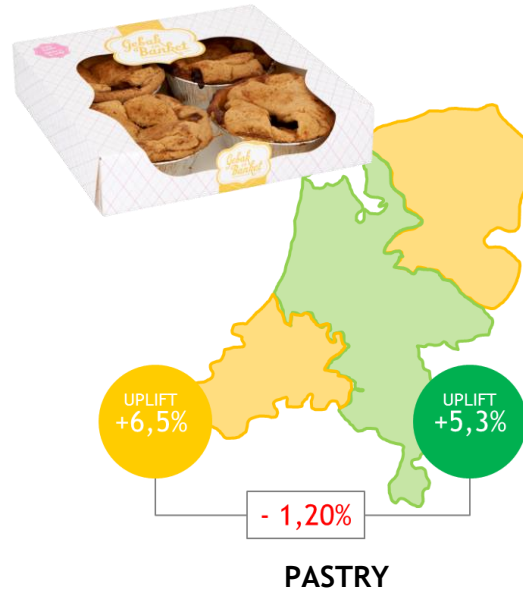
POSSIBLE EXPLANATIONS:

- too little budget
- competitors had better offers
- primary goods are less relevant

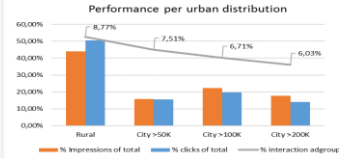
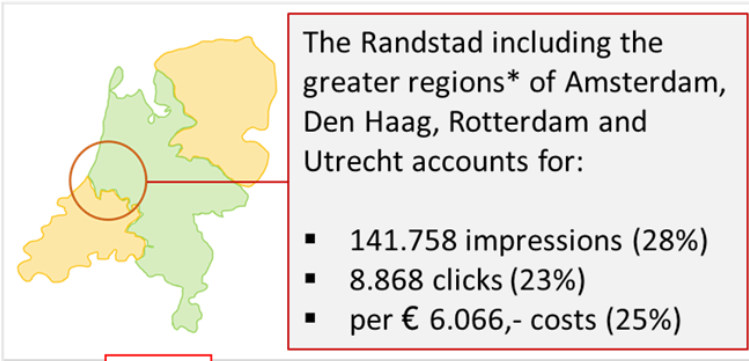
This requires deeper examination!



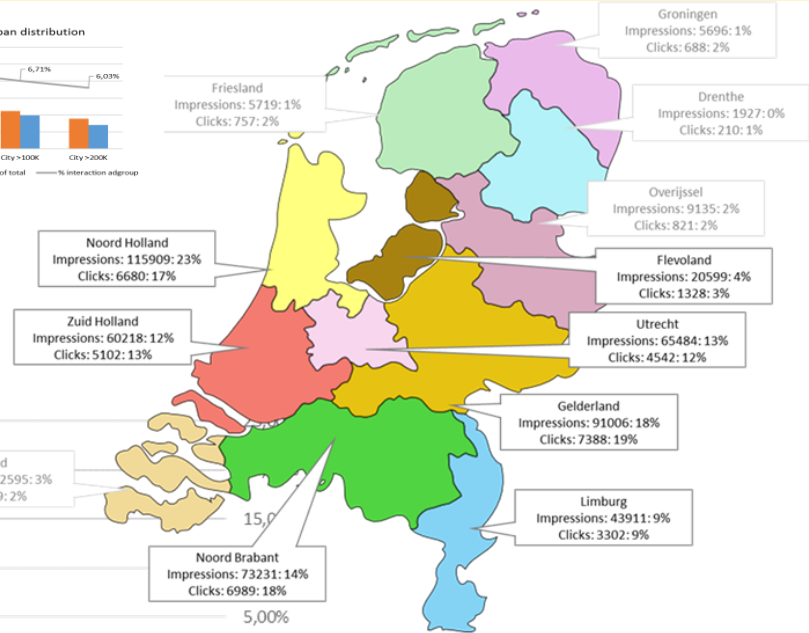
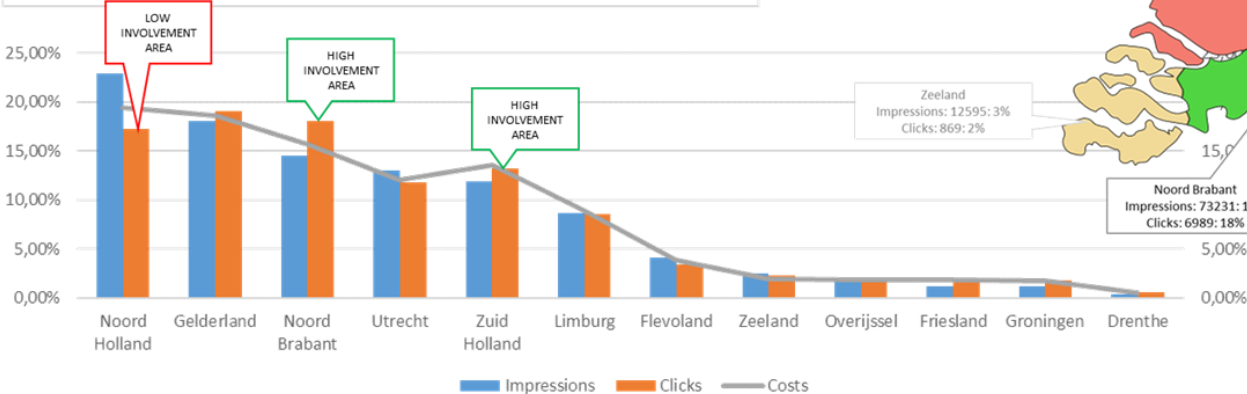
Closer analysis showed that niche products had higher click-through rates, and could potentially help drive customers to stores.



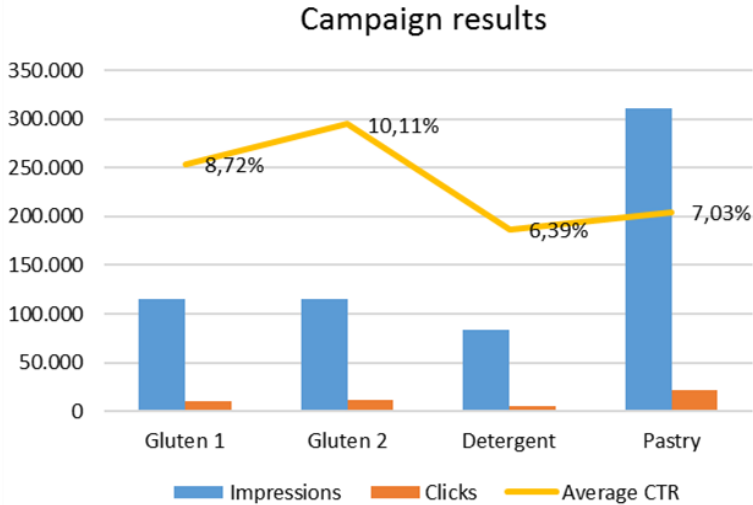
View and click behaviour shows your most engaged audience



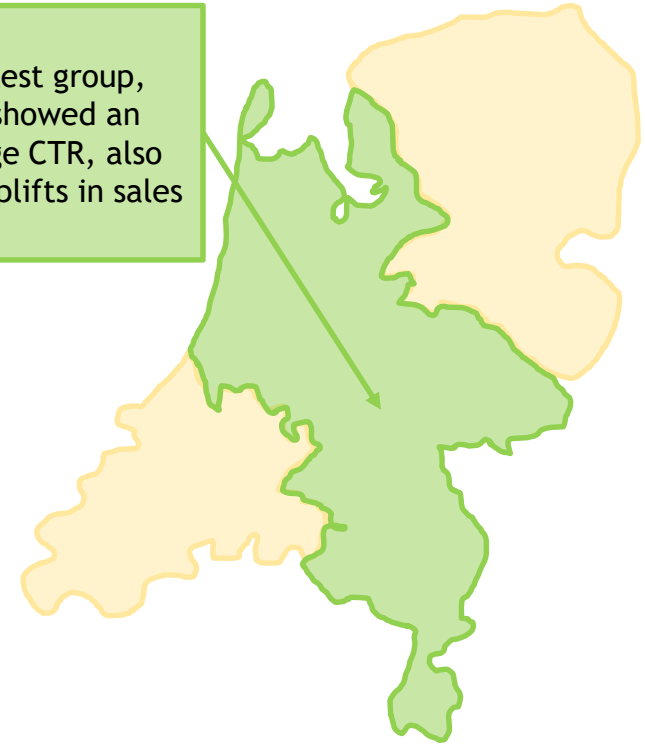
Highest CTR performance in rural areas



Higher than average CTR points towards high interest. Focus your campaign on locations showing high interest.

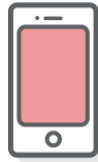


Within the test group, cities that showed an above average CTR, also showed high uplifts in sales

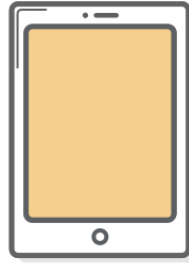


	Impressions	Clicks	Average CTR	Cities	Total uplift
Detergents	115.166	10.039	8,72%	24	0,17%
Glutenfree 1	115.225	11.646	10,11%	87	9,37%
Pastry	84.057	5.373	6,39%	52	8,73%

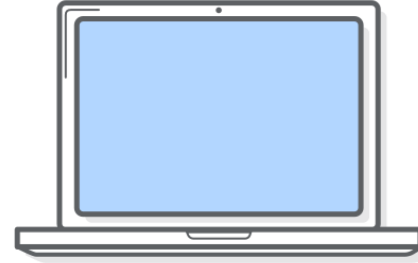
Our customer is mobile oriented



MOBILE



TABLET



DESKTOP

IMPRESSIONS

58%

15%

27%

CLICKS

61%

16%

23%

COSTS

67%

13%

20%

Four main outtakes

On the highest level it seemed that paid search had no positive impact on instore sales. But deeper analyses proved otherwise. These are our 4 main outtakes

1.

Category:

Niche products (i.e. gluten-free) drive customers to stores.

2.

Geographic:

Consumers living in rural cities are more likely to be influenced by digital.

3.

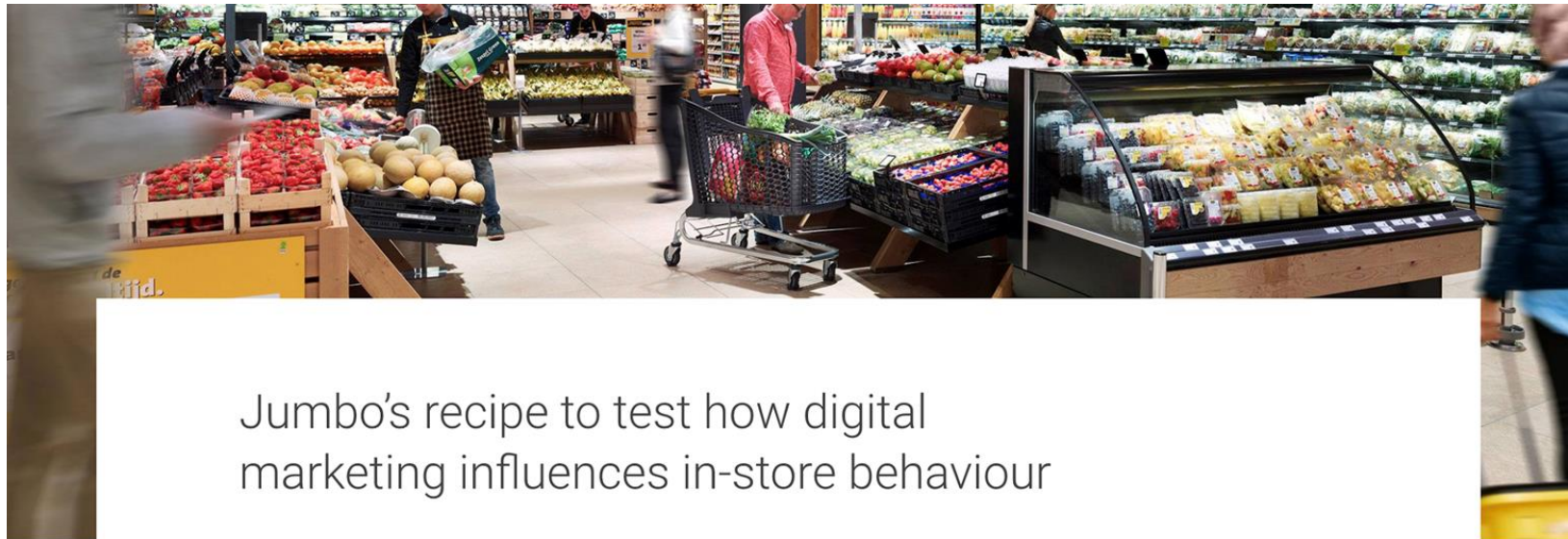
High Interest:

Above average CTR shows consumer interest, optimising towards high engagement impacts in-store sales

4.

Mobile:

Performance proving to attribute in sales better than other devices.



Jumbo's recipe to test how digital marketing influences in-store behaviour

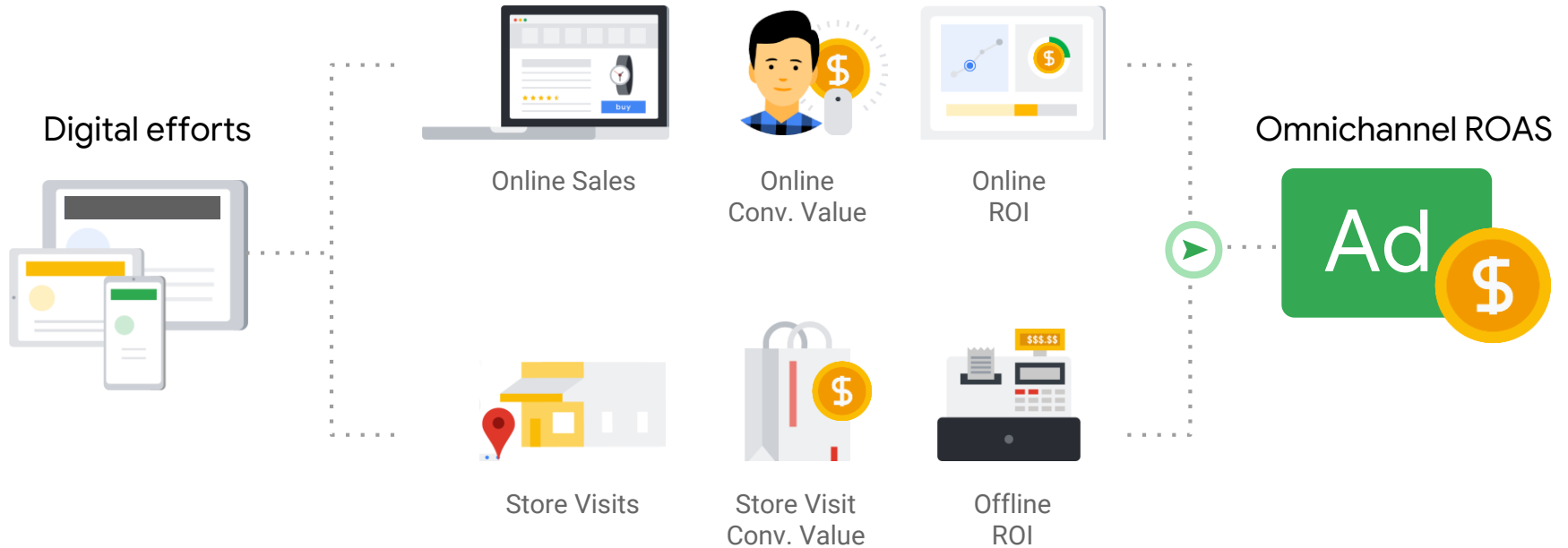
June 2019 / Benelux, Netherlands, Case Studies

 Share

Dutch supermarket chain Jumbo wanted to find a way to measure how effective online marketing could be in directly increasing in-store revenue.

Omnichannel transformation starts by crafting a digital strategy that also contributes to sales in physical stores

While most advertisers value online sales, it is crucial to measure and calculate the value driven offline



What's up with all these measurement solutions?



Search Ads 360



Store Visits in Google Ads

- allowing for day-to-day actionability at the keyword level
- compatible with Smart Bidding in SA360
- not yet available in DV360

Store Visits in Google Analytics

- Cross-channel comparison (i.e. Google Ads vs. Direct)
- Medium comparison (i.e. Display vs. Search)

Store Sales

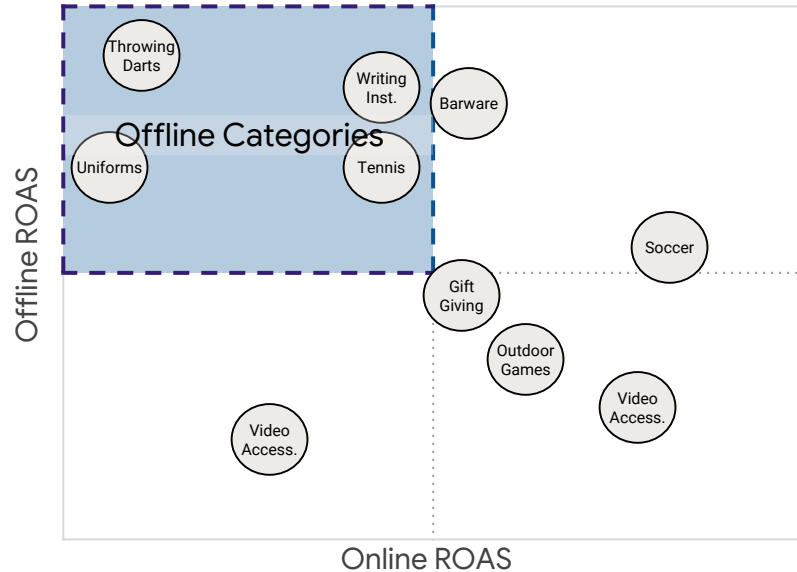
- Discover the digital-influenced offline conversion rate & average order value
- Strengthen your Store Visit assumptions per category

Best practice: Use "Store Visits" in day-to-day campaign management, use Store Visits in GA + Store Sales Direct to further strengthen your assumptions.

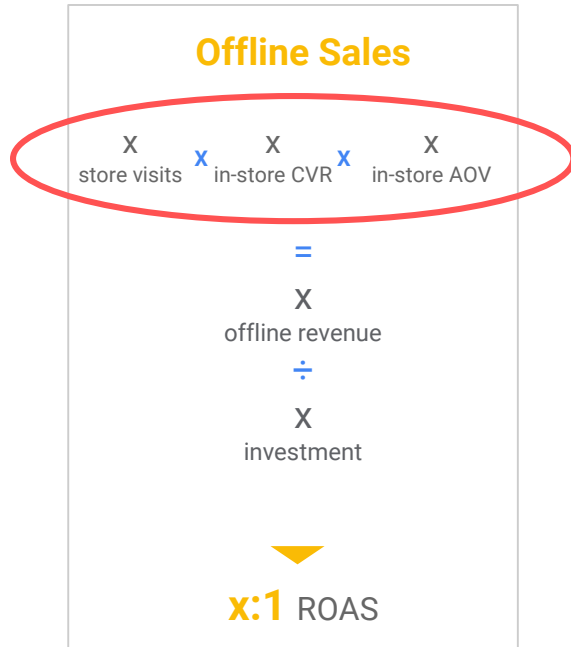
*Use offline conversion import to manually upload offline data

How does your online conversions differ from your impact driven offline?

Create support within the organisation by analyzing beforehand where you will have an impact by adding offline data to the measurement scope



Set a conversion value for your Store Visit to understand the revenue impact

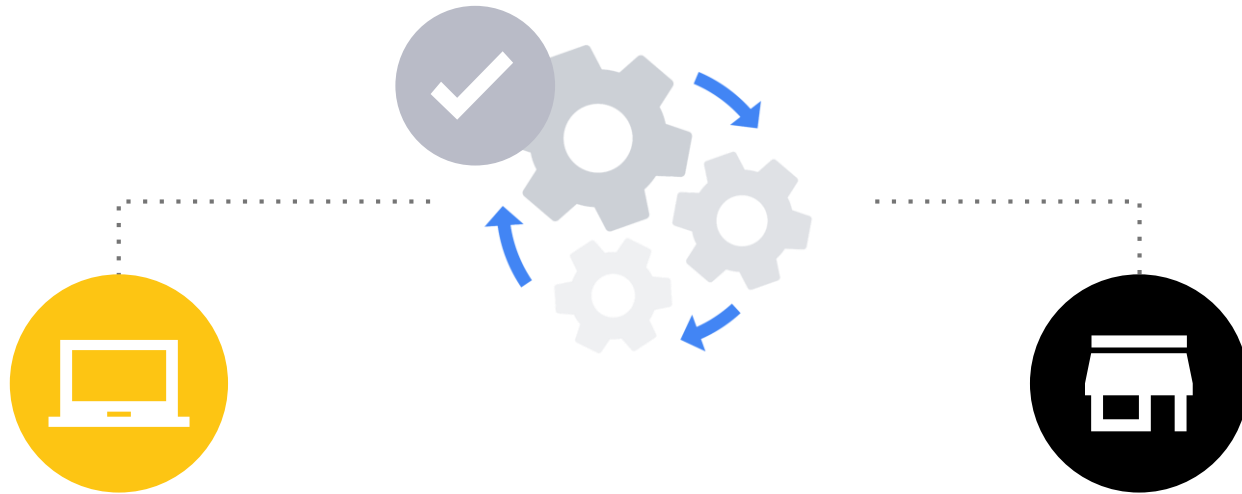


“How many visits?”

“If they visit, will they buy?”

“Does everyone spend the same?”

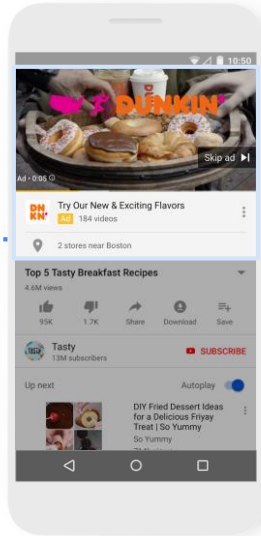
Use the power of Store Visits Smart Bidding on Search & Shopping to optimize for both online & offline impact



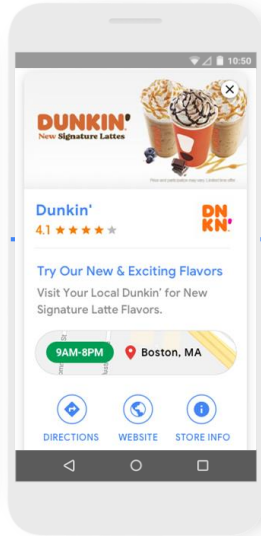
By adding Store Visits in your conversion column

Local campaigns optimizes offline only performance goal

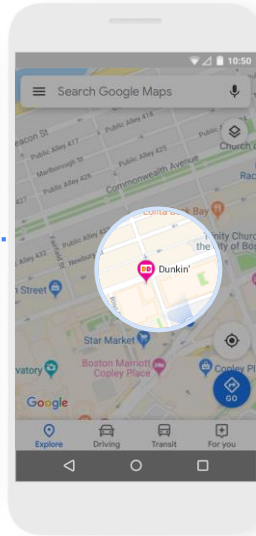
YouTube



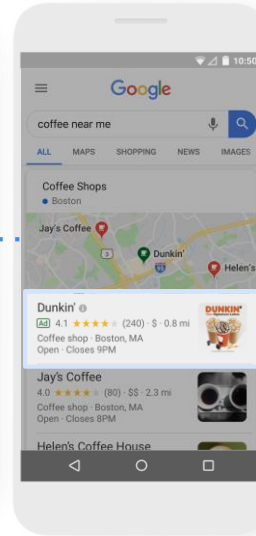
Display



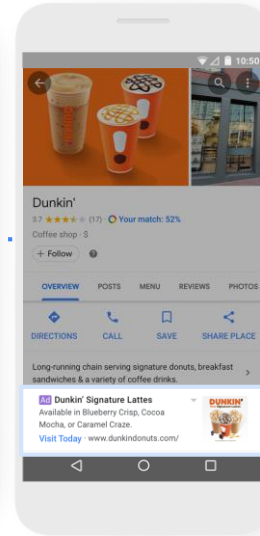
Maps



Search



Business Profile



Three key takeaways

1.

Organizational:

Set Omnichannel KPI for driving growth

2.

Measurement:

Use "Store Visits" in day-to-day campaign management for a holistic view

3.

Activation:

Optimize media towards Omnichannel and / or offline only objectives

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Google