

CASE STUDY

The Home Depot Earns 8X In-Store ROI with Mobile Display Ads



Home Depot got powerful results when it used location extensions for display ads to reach home and garden enthusiasts on mobile. The brand reached consumers in their intent-rich moments—when they were looking for outdoor garden products—and brought them into nearby stores.

The Home Depot® became the world's largest home improvement retailer by giving consumers just what they need in their I-want-to-buy-it moments.

With the rise of mobile, Home Depot has had to rethink the way it meets the needs of those consumers. "Consumers are walking around with supercomputers in their pockets," says Umut Dincer, Director of Online Marketing for Home Depot. "They expect more of us in their moments of need—so now we're using mobile technology to deliver on those expectations."

Even with the growth of e-commerce, most of Home Depot's consumers still prefer to come into local stores: 94% of the company's sales take place there. "In-store consumers simply buy more," says Dincer. "They find products they need that they may not have thought of when they were at home. It's also where our consumers will find our 'secret weapon'—our 385,000 friendly sales associates who can help them find exactly what they need."

The Home Depot team has worked closely with Google to optimize their omnichannel strategy. They have crafted a robust local strategy through mobile search ads and measured the impact of these ads through Google data to [measure store visits](#) driven by ads, as well as store sales data to track transactions influenced by mobile. That's how they learned that in the past year, over 1 in 3 people who clicked on a mobile search ad had visited their store and 36% of their in-store revenue during peak periods was driven by mobile.

ABOUT HOME DEPOT

- Home Depot is a home improvement supplies superstore that sells tools, construction products and services.
- Headquarters: Atlanta, Georgia
- www.homedepot.com

GOALS

- Reach an intent-rich audience of home and garden do-it-yourselfers
- Encourage them to visit local Home Depot stores
- Boost in-store sales from mobile

APPROACH

- Reach the target audience nearby leading Home Depot stores
- Use mobile location extensions for display to drive them into stores
- Measure the impact on in-store sales with Google store sales data

RESULTS

- Over 8X in-store ROI on mobile display ad spend
- 93% of sales created by the ads happened in-store
- Home Depot has expanded the program to almost all their stores

Reaching Local Do-It-Yourselfers

With these insights in hand, Home Depot decided to complement its local search strategy with Google's new mobile location extensions for display to bring more consumers into stores. Location extensions for display are interstitial and banner ads that show local store information like address, phone number, and directions, generated dynamically.

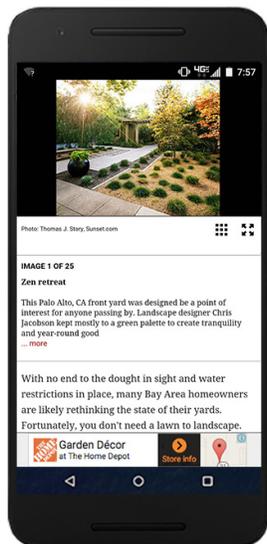
Early in 2016, Home Depot tested the ads with a popular in-store category: outdoor garden and lifestyle products like plants, mulch, and patio furniture. Home Depot wanted to:

- Reach people who were interested in gardening and outdoor goods
- Show them that products they wanted were available at a nearby Home Depot
- Help them find that nearby store

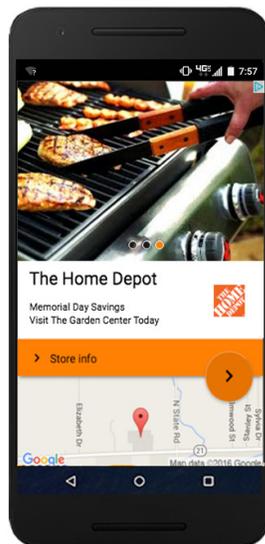
Home Depot customized the ads to reach consumers who were within 15 miles of a Home Depot store. And not just any consumers: The Home Depot team combined local targeting with Google's audience data to show these ads specifically to do-it-yourselfers and home decor enthusiasts.

The ads ran for four weeks in the areas around Home Depot's 20 highest-volume stores. Consumers browsing nearby on their smartphones saw dynamically-generated mobile ads designed just for them, with colorful visuals, directions, and details about their nearby Home Depot.

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Location extensions for display (banner ad)



Location extensions for display (interstitial ad)

“We know that our busy consumers are looking for answers quickly,” says Dincer. “We used Google’s most relevant products—in this case location based ads and technologies—to be there for our consumers at just the right time when they were looking for garden products that we sell.”

Measuring Impact

Reaching the right audience with relevant information was only the first step for Home Depot. They also needed to measure the results from online to offline to get a holistic understanding of how omnichannel shoppers move across channels on their path to purchase.

Home Depot used Google store sales data to measure how their mobile messages drove in-store transactions from the shopper. “In the past, we had relied on traditional metrics like impressions, clicks, and online sales to calculate the value of mobile. But Google store sales data lets us see much more clearly the impact mobile has on our bottom line,” says Dincer. Home Depot now tracks what it calls micro-conversions (like clicks-to-call, requests for directions, or store visits) and also macro-conversions (actual store sales) to help attribute the value of every engagement to their bottom line.

“Some of the internal data we have occurs at a quarterly level, but Google’s data comes in at a regular frequency, which feels more real-time, and makes it a lot easier to activate against,” says Dincer. “It really helps us create a more holistic story of the consumer journey and see where our marketing fits in there. With store sales data, we can aggregate online and offline KPIs and better optimize towards truly enterprise-wide goals.”

Results

By the end of the test’s first week, Home Depot could see that the the ads were working. And by the end of the four-week test period, the company was seeing more than **8X in-store ROI** from their mobile display ads.

In fact, **93% of the sales** created by the ads happened in-store, with the remainder happening online.

The results were so good that Home Depot quickly expanded the gardening and outdoor goods program to 2200 stores nationwide — and again saw 8X in-store ROI. Currently, Home Depot is also planning to expand the pilot to other categories, like paint and related merchandise.

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