Google Best Practices

What's In Store

A Guide to Driving Store Sales with AdWords

Introduction

Today's consumers are spending more time online and on their smartphones than ever before. And a lot of that time is spent shopping as they're on-the-go. As a result, many of those clicking online end up buying offline — at a brick and mortar location that's conveniently nearby.

Today's digital marketers are best placed to connect with these consumers. Sprint, for example, found that 90% of their customers start the purchase journey online and ultimately buy in-store. In another example, PetSmart saw that between 10 to 18% of all clicks on their search ads result in an in-store visit within 30 days.

It's never been more important to get the right ad in front of the right customers at the right time — and place.

In this paper, we'll walk you through what's needed to turn those ready-to-buy online shoppers into satisfied offline customers. We'll show you how to:

- Enhance your online ads to be more helpful for those looking to visit one of your business locations
- Improve the chances that the right person will see your ads through smarter targeting and bidding
- Track and measure the incremental offline value of your online efforts
- Fine-tune your campaigns for maximum return to your business factoring both online and offline conversions

6 things that can help drive store sales from AdWords

First, drive foot traffic with search campaigns.

1. Show ads with more locally relevant information by adding location extensions.
Why: *Make it easier for shoppers to find you by displaying helpful information like directions to your business or the ability to call you.*

2. Use location extension targeting to reach folks close to your business.
Why: *Increase the likelihood that your ads are shown to people who are nearby and may be more likely to buy.*
> **Step 1:** Set a radius around each location extension address that makes sense for your business.

> **Step 2:** Adjust your bids for the radius you've targeted around your location extensions.

Second, drive foot traffic with Shopping campaigns.

3. Promote products that are sold at a nearby store using local inventory ads.
Why: *Encourage shoppers to visit a nearby store location by showing them what products are available there.*

4. Segment existing product groups by sales channel.
Why: *Creating more granular product groups lets you bid according to differences in product values by sales channel.*
> **Step 1:** Subdivide your "All products" product group by Channel exclusivity so that you separate products that are sold multi-channel versus just one single channel.

> **Step 2:** Then, subdivide the single-channel product group further by Channel so that you separate products that are sold only in-store and only online.

Third, measure the full value of your online ads.

5. Estimate the amount of offline sales that is driven by your online ads.
Why: *Understand the full return from your online ads by accounting for the additional conversions that can happen offline.*
> **Step 1:** Make some educated assumptions about your offline conversion rates and order values.

> **Step 2:** Use this formula to figure out the offline return from your search ads:

> Attributable store sales from search ads = Clicks x Visit rate x Conv. rate x Average Conv. Value

Finally, optimize your campaigns for omnichannel performance.

6. Optimize your campaigns for maximum return from both online and offline conversions.
Why: *Use campaign performance data to fine tune how you invest online so that you can maximize total conversions instead of just online conversions.*

Driving foot traffic with search campaigns

The key to driving foot traffic from the web into your physical location is letting customers know you're close by and that you have what they're looking for. If a customer is searching for products or services in your neighborhood, your search campaigns can help bring them closer (literally) to making a purchase. Whether it's providing instant directions to your store or giving folks the option to call you for more information — you want to deliver the most convenient shopping experience possible to your potential customers. With some enhancements to your campaigns, you'll be able to deliver the right ad to the right customer, based on where he or she may be.

In this section, we'll show you how to:

- Set up your business locations with Google

- Use location extensions to enhance your ads with locally relevant information

- Develop the best targeting and bidding strategy for potential customers who are close to one of your business locations
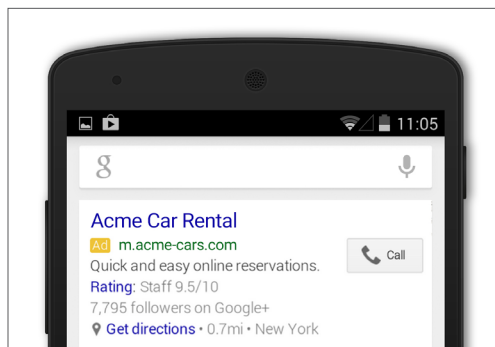
Running a successful search campaign that drives in-store traffic begins with setting up your location. Here's how you do it:

1. Show ads with more locally relevant information by adding location extensions.

Why: Make it easier for shoppers to find you by displaying helpful information like directions to your business or the ability to call you.

Ad with location extension as seen on a mobile device

You'll need to link Google My Business to your AdWords account to start using location extensions. If your business has 10 or more locations, the Google My Business Locations dashboard offers easy bulk management for all your locations. You can edit your business information in one place and your verified locations will update across Google Search, Maps, and AdWords.

Next, let's set up your targeting so you can bid smarter for customers who are located close to your business.

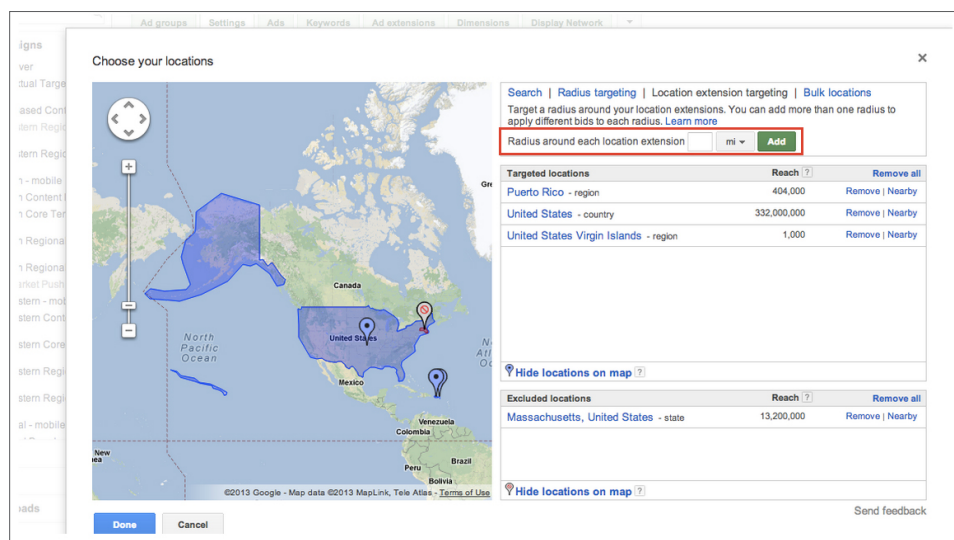## 2. Use location extension targeting to reach folks close to your business.

Why: Increase the likelihood that your ads are shown to people who are nearby and may be more likely to buy.

Let's say you've got a campaign that targets the entire country for your website orders. But when someone is close to one of your locations, you'd like that person to pay you a visit instead. For the same campaign, you can set a radius around your stores using your location extension addresses. This will allow you to bid higher for potential customers located closer to your business should you find that they're more likely to convert.

Step 1: Set a radius around each location extension address that makes sense for your business. Keep in mind that a larger radius may be needed for a location that's based in a more rural area while a smaller radius may give you adequate coverage in a more urban area.

When editing locations in your campaign settings, you have the option to select "Location extension targeting" so that you can set a radius you'd like to target around each location extension.

Remember to take a look at the distance report for your location extensions to help find the best radius to target. The report tells you how your ads perform by the distance a customer was from your business when she saw your ad. You can start off by targeting a broader area and then refine based on this report.

Distance from location extensions	Clicks ?	Impr. ?	CTR ?	Avg. CPC ?	Cost ?	Avg. Pos. ?	Conversions ?	Cost / conv. ?	Conv. rate ?
Within 0.7 miles	97	2,587	3.75%	$0.72	$69.39	2.5	0	$0.00	0.00%
Within 1 mile	339	9,537	3.55%	$0.62	$211.01	2.6	0	$0.00	0.00%
Within 5 miles	8,572	309,742	2.77%	$0.62	$5,284.29	3.0	16	$330.27	0.19%
Within 10 miles	21,845	905,930	2.41%	$0.62	$13,649.52	3.3	72	$189.58	0.33%
Within 15 miles	27,960	1,180,936	2.37%	$0.63	$17,555.47	3.3	87	$201.79	0.31%
Within 20 miles	31,102	1,322,910	2.35%	$0.63	$19,491.74	3.4	95	$205.18	0.31%

*Use the distance report under the Dimensions tab (choose **Distance** from the **View** drop down menu).*

If you have multiple store locations that are close to a customer, your ads are eligible to show multiple location extensions on mobile. This gives users the ability to choose the most convenient location to visit.
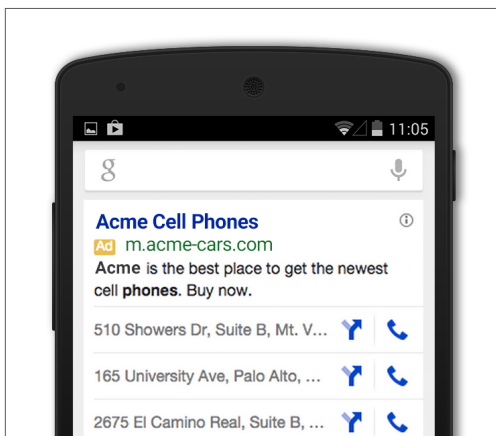
Ad with multiple location extensions as seen on a mobile device

Step 2: Adjust your bids for the radius you've targeted around your location extensions.

	Location	Bid adj. ?	Clicks ? ↓	Impr. ?	CTR ?	Avg. CPC ?	Cost ?	Avg. Pos. ?
☐	1.0 mi around each location extension	+ 50%	2,220	82,008	2.71%	$0.59	$1,309.74	2.8
☐	10.0 mi around each location extension	+ 25%	771	31,279	2.46%	$0.55	$425.17	2.9

In your campaign settings, the location extension targets that you've set up in the first step can now be used as locations for bid adjustments.

You can also create levels of bid adjustments based on proximity. Going back to the example of a campaign that covers the entire nation: let's say you find that shoppers located 10 miles from your business are 25% more likely to make a purchase while those within 1 mile are 50% more likely to buy. You can use location bid adjustments of +25% and +50% on searches that happen within 10 miles and 1 mile of your location, respectively.

Driving foot traffic with Shopping campaigns

Ultimately, whether someone steps into your store after looking online depends on what products are being searched for and what you have in stock. In this section, we'll review how to best set up and manage what are called local inventory ads for your Shopping campaigns. They show potential customers what's available in your stores in near real-time through a Google-hosted local storefront.
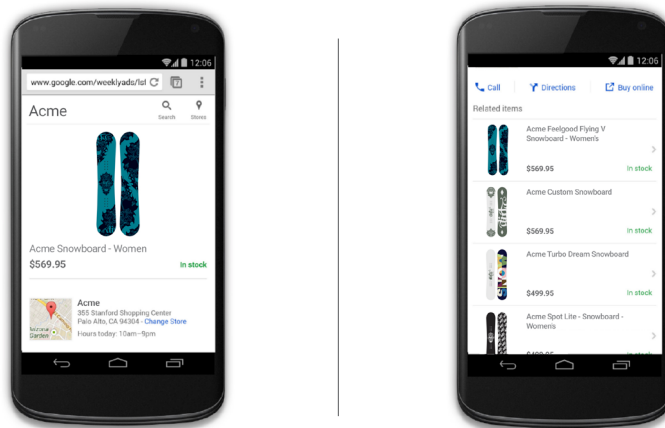
Shoppers are taken to a Google-hosted local storefront after they've clicked on a local inventory ad. It's designed to make it easy for shoppers to find your store while also showing them related items.

We'll show you how to:

- Set up your local inventory ads and customize who sees these ads based on their device and location

- Manage your product groups so that you can bid differently based on where products are sold

Note: In order to participate in local inventory ads, contact your Google Account Manager and see if you're eligible. He or she can also work with you to meet the additional data feed requirements. Once your account has been made eligible to run this ad format, you can opt your current Shopping campaign into the local setting.

First, let's think about showing the best ad to shoppers depending on their location, which product they're searching for, and the device they're on:

3. Promote products that are sold at a nearby store using local inventory ads.

Why: Encourage shoppers to visit a nearby store location by showing them what products are available there.
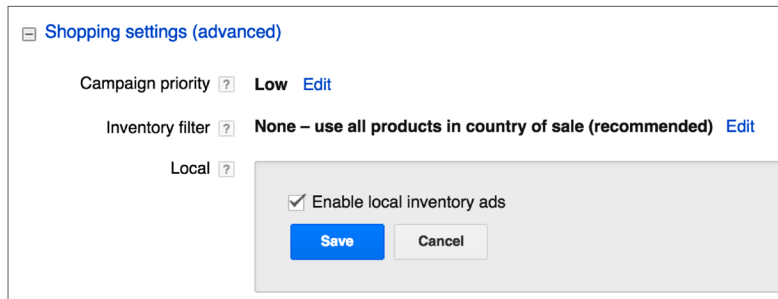
*Check the **Local** settings box under the **Shopping settings (advanced)** section of your campaign settings.*

Now you can start to show both:

- Local inventory ads: ads that show users what products are available at a nearby location

- Multichannel Product Listing Ads: ads that give users the option to buy online or view product availability at a nearby location

Simply checking this box allows you to customize your ads for shoppers based on their proximity to your stores and what device they're using:

Shoppers searching for…	On a…	See a…
Products you sell only online	Desktop or mobile device	Online product listing Ad
Products you sell only in-store	Desktop or mobile device	Local inventory ad
Products you sell both online and in-store	Desktop	Multichannel product listing ad
	Mobile device	Local inventory ad

Mobile devices are restricted to show either one of two ad formats: online Product Listing Ads or local inventory ads. And since shoppers on a mobile device are likely on the go, you should try to show them a local inventory ad whenever they're near one of your stores. This way, you can encourage them to engage in person with your nearby business.

Case Study: [Sephora](#)

Cosmetics retailer Sephora uses their digital campaigns to drive shoppers into stores. Sephora's initial testing of local inventory ads saw a return of $8 in store sales for every dollar spent in AdWords. And the brand continues to expand their testing with new online-to-store campaigns ongoing.
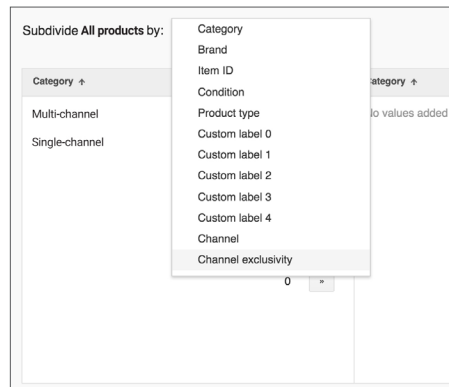
Next, you'll determine how best to bid by a product's value to your business, which could vary by the channel in which it's sold.

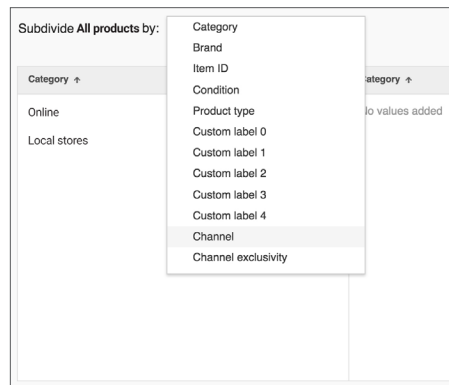### 4. Segment existing product groups by sales channel.

Why: Create more granular product groups that let you bid according to differences in product values by sales channel.

Let's say you're selling winter sports gear. You sell large items like snowboards and skis in your stores, accessories like hats and gloves on your website, and all other apparel through both channels. Given that these product groups are likely to differ in value, let's subdivide them so that you can bid differently for each.

Step 1: Subdivide your "All products" product group by *Channel exclusivity* so that you separate products that are sold multi-channel versus just one single channel.

Step 2: Then, subdivide the single-channel product group further by *Channel* so that you separate products that are sold only in-store and only online.

By structuring your campaign this way, you don't have to worry about overlapping bids for the same products that are sold both in-store and online.

Product group [?]			Max. CPC [?]	Clicks [?]	Impr. [?]	CTR [?]	Avg. CPC [?]	Cost
☐	▼ All products	☐ ✎	--	0	0	0.00%	$0.00	$0.0
☐	multi-channel	☐ +	$2.50	0	0	0.00%	$0.00	$0.0
☐	▼ single	☐ ✎	--	0	0	0.00%	$0.00	$0.0
☐	local stores	☐ +	$1.25	0	0	0.00%	$0.00	$0.0
☐	online	☐ +	○ Excluded ◉ $ 2.25 Save Cancel					$0.0
☐	Everything else in 'single'	☐ +	$0.01	0	0	0.00%	$0.00	$0.0
☐	Everything else in 'All products'	☐ +	$0.01	0	0	0.00%	$0.00	$0.0

Set bids at the lowest level of each product group.

Measuring the full value of your online ads

When it comes to running your AdWords campaigns, it's important to optimize your campaigns for maximum return to the business *as a whole*. And whether that return is from the online or offline channel, it's all part of the same pie. That's why measuring and tracking the full impact of your campaigns is so important. It can help to start conversations with different marketing channels on how best to connect with today's "omnichannel" consumer.

We'll get you started on a simple model that you can bring to the boardroom (or water cooler) that gets everyone thinking about the full impact that digital is contributing. Then, we'll go over how you can potentially get even better data to work with.

5. Estimate the amount of offline sales that is driven by your online ads.

Why: Understand the full return from your online ads by accounting for the additional conversions that can happen offline.

Let's start with a simple model for estimating the value of an offline conversion for your online campaigns. You can partner with your offline store marketing team to help you get started on some of the basic assumptions.

Step 1: Let's make some educated assumptions about your offline conversion rates and order values.

Example

Assumption 1: Your business location's visit rate = **10%**
This is number of folks who visit your business after seeing an online ad

Assumption 2: Visit-to-sale conversion rate = **30%**
How many of those who visited your location after seeing an ad are likely to make a purchase?
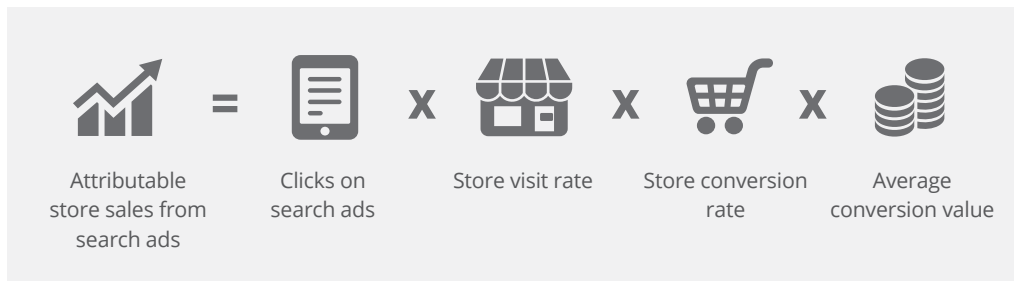
Assumption 3: Average order value at your location = **$50**
What is the average order size of an offline purchase?

Step 2: Use this formula to figure out the offline return from your search ads:

| Attributable store sales from search ads | = | Clicks on search ads | X | Store visit rate | X | Store conversion rate | X | Average conversion value |

Clicks on your ads = 75,000
*Business visits driven by those ads = 7,500 (or 75,000 * 10%)*
*Attributable OFFLINE transactions = 2,250 (or 7,500 * 30%)*
*Attributable OFFLINE sales revenue = $112,500 (or 2,250 * $50)*
Tracked ONLINE sales in AdWords = $87,500
AdWords spend = $20,000

Using this simple model, you can estimate that for every $1 invested in search, you're making $5.63 in offline sales and $10 in total sales. Now you can optimize your bids using a more accurate measure of return from your ad dollars. In this case, you can bid up until your CPA is about 130% higher and still achieve the same return on ad spend.

Case Study: Adidas

Adidas developed a model using a similar approach to understand how their mobile ads were driving in-store conversions. As a result, they set themselves up for an increased investment into mobile ads.

Now of course, a model is always a good place to start. But over time, you'll want more accurate data that can help you make even better decisions. To get there, you'll need to enable some measurement solutions that can verify some of the assumptions you've made and help you understand how different marketing channels touch the consumer.

Here are some options to consider:

Measurement to use...	If you want to...
Conversion Import	Import data for offline conversions into AdWords
Store Visits Reporting*	Estimate the number of visits to a business location driven by Google search ads
Store Transactions Reporting*	Attribute offline sales that are driven by Google search and display ads
Doubleclick for Search*	Report in-store conversions for all search networks compatible with Doubleclick

Contact your Account Manager to see if you're eligible.

Note: Marketers are often asked to prove the incremental effect of their promotions, which is a good way to understand how online ads drive offline sales. To learn more about how to run these experiments and measure the incremental impact of your marketing, download our latest guide called Proving Marketing Impact: 3 Keys to Doing It Right. If you want to start thinking about how to attribute sales across all marketing channels, you can upgrade to Universal Analytics or take a look at the Adometry platform.

Optimizing for omnichannel performance
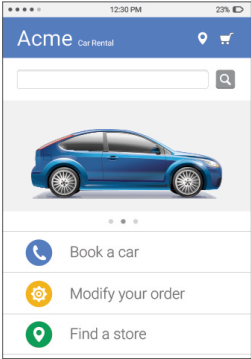
Now that you've started to measure and understand how your online ads are driving incremental offline value, it's important to start taking action with this data. Use this additional info you've got at your disposal to optimize your campaigns for the best return to the business as a whole — both online and offline.

6. Optimize your campaigns for maximum return from both online and offline conversions.

Why: Use campaign performance data to fine tune how you invest online so that you can maximize total conversions instead of just online conversions.

What you can do...	By...
Update your metrics	Including offline conversions when calculating the KPIs for your search campaigns. *Example:* *Average online CPA: $500 AdWords spend / 10 online orders = $50* *Additional offline conversions counted: 10 orders* *Average order value: $100* ***Effective CPA: $25*** ***Effective ROAS: 400%***
Optimize your bids	Increasing bids on keywords and product groups based on the additional value from offline sales. *Example:* *Target ROAS: 200%* *Effective ROAS (with offline orders): 400%* ***Bid adjustment while reaching target ROAS: +100%*** *(or, if you're averaging a $25 CPA, you can afford to bid up to a $50 CPA).* Increasing bids on keywords and product groups based on the additional value from offline sales. • *Increase **bid adjustments** for your location extension targets if your physical locations are driving more profit and volume* *Tip: Take a look at the [distance report](#) for your location extensions to help determine these bid adjustments based on performance by distance.* • *Increase your **mobile bid adjustments** if mobile is driving profitable offline sales and your mobile impression share is low* • *Subdivide product groups by attributes that create meaningful differences in value*
Optimize your daily campaign budgets	Identifying any campaigns assisting with offline conversions that are losing [impression share](#). Increase their daily budget limits to avoid missing out on more traffic opportunity. *Tip: You can also increase your bids for keywords or product groups in these campaigns to improve your impression share.*
Test creative	Optimizing your ad copy to drive engagement with your business locations. Highlight special offers and local information that can draw users to visit your store. **Acme Car Rental - Visit Us for Special Rates.** `Ad` m.acme-cars.com 📞 Call Friendly Service at the Counter. Rating: Staff 9.5/10 7,795 followers on Google+ 📍 Get directions • 0.7mi • New York

Optimize your landing pages	Displaying a prominent link to your Store Locator Page on your mobile website and featuring products that are more likely to drive in-store visits and sales. *Tip:* *Clicks through to the store locator page can be interpreted as interest in visiting one of your business locations. Factor these into your offline return estimates.*
Ask about marketing budgets	Partnering with relevant stakeholders to start a discussion about omnichannel budgets. If your online ads are driving offline sales, work with relevant teams to determine how best to allocate budget across channels.

Conclusion

In the blink of an eye (or with the tap of a finger), a user on her smartphone can become a customer at the cash register. That's why it's more important than ever to connect with shoppers on-the-go in their moment of greatest purchase intent.

In this paper, we've covered how you can manage AdWords to best reach these shoppers — making it easier for them to visit and transact at one of your business locations.

But there are broad organizational questions that also need to be considered:

- Is online being credited appropriately for offline transactions?
- Can you make the case for more budgets should you identify more profitable offline opportunities?
- What's the media mix that will drive the most value for the business as a whole - ultimately providing the best customer experience (online and off)?

These are very complex questions that cannot be answered by any single channel — let alone any individual marketer. But you've got one thing on your side, and that's the data from the campaigns you've run. Sharing the insights that you've gleaned can at the very least start some intriguing conversations across your organization.

Today, your consumer sees no boundaries — online, on device, out of home, and in-store are on a level playing field — so your marketing needs to be just as open.

If you want to find out more about how to use AdWords to drive visits to your business location, download the full guide at g.co/GoogleBP.