

# HOW A LEADING TECH COMPANY MEASURED THE EFFECT OF DIGITAL ADS ON IN-STORE SALES

## THE BUSINESS CHALLENGE

When it comes to measuring the efficacy of online advertising, there's a huge blind spot in marketing's field of view. While it's relatively easy to measure its effect on online sales, measuring a digital campaign's impact on brick-and-mortar store sales is far more challenging.

Unless, of course, you partner with NPD.

One of our clients, a highly successful consumer technology manufacturer, recently launched a new product, which almost immediately garnered brisk sales and a leading position in the market. While it seemed like everything was going smoothly on the surface, the client's

marketing team needed to understand the on-the-ground and in-the-web situation in more detail, to ensure continued strong in-store sales.

Our shared objective was to answer one key question:

How much does online advertising affect offline sales?



## HOW WE HELPED

To answer this admittedly hard-to-answer question, we worked with our client and its digital agency to design and run an **In-Market Test** across multiple geographies.

To get this right, our Analytic Solutions team first had to remove a lot of noise to control for sales influences unrelated to the test. We first identified pairs of markets to serve as either test or control markets and shared that information with the client's digital agency. After the test ended, we matched stores across the test and control geographies, to compare test- and control-store sales week by week, door by door, and geography by geography.

We used several dimensions to pair markets and stores for this test, including sales levels and trends, distribution and assortment, price, retailer mix, seasonality dynamics, and socio-economic and demographic profiles.

“To find out how much banner ads, social video, and other online advertising vehicles affect brick-and-mortar store sales, NPD's In-Market Testing solution is an amazingly effective, and supremely efficient, tool.”

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## THE OUTCOME

**In-Market Testing** revealed digital advertising campaigns resulted in a 7 percent unit sales lift for our client's new product at brick-and-mortar stores compared to control stores. The product's market share also increased more than 9 percent.

Our client's marketing team members were happy to know their online advertising efforts were working, and happier still that they could easily and confidently report this information up the chain to C-level executives.

In the end we worked closely with our client and its digital agency to validate these results, comparing them with several other measures derived through different methodologies. As soon as our test methodology was proven effective, the team received quick approval to analyze its other consumer tech products, to find out just how much online marketing budget is needed to grow in-store sales as quickly as possible, without over spending.

## ABOUT NPD'S ANALYTIC SOLUTIONS GROUP

NPD's Analytic Solutions Group includes a team of senior leaders with extensive experience developing and delivering analytic solutions that address strategic marketing, sales, and planning issues. By investing in its information infrastructure and establishing new retailer partnerships, NPD now collects and delivers more granular information. And by combining its unique data assets and industry expertise with state of the discipline research techniques and proprietary solutions, NPD is equipped to answer clients' most pressing business questions.

### In-Market Testing Showed Positive Digital Advertising Campaign Results:

The infographic displays two key results. On the left, a green circle with '+7%' is next to a dark grey icon of a brick-and-mortar store. Below this is the text 'Brick-and-Mortar Store Unit Sales Lift'. On the right, a green circle with '+9%' is next to a dark grey pie chart with a single green slice. Below this is the text 'Increase in Product Market Share'.

## LEARN MORE

Contact your NPD account representative, call 866-444-1411, or email [contactnpd@npd.com](mailto:contactnpd@npd.com).