



# YOUR CAMPAIGN IS OVER—DO YOU KNOW WHERE YOUR SALES ARE?

Regardless of Your Advertising Budget,  
You Can Measure Sales Lift

These days, shopper marketers are shifting their advertising dollars to digital. According to the January 2013 issue of *Shopper Marketing* magazine, 74% of CPG marketing executives said their advertising budget for digital media will increase in 2013. And with good reason—digital advertising is extremely effective at boosting offline retail sales. But even though digital works, we know you have to prove that it works for you. If an advertising channel doesn't produce results (whether you need to increase sales or brand perception), you have to scrap it and move on.

So how do you know if you ran an effective campaign?

Many top brands use sales lift studies to measure sales. These studies typically work only on national-level ad campaigns that require significant spend. Because they come with a heavy price tag, these studies are often out of the price range of many shopper marketing-based campaigns. Additionally, sales lift studies often won't work on smaller regional campaigns.

Most CPG companies think only of sales lift for measurement. Fortunately, there are lower-cost alternatives. These methods produce metrics that serve as proxies for sales without generating an exact sales figure, per se. The two main proxy studies are:

1. **AUDIENCE MATCH STUDIES**—If you reach enough of your target audience, then you can conclude that your sales will increase.
2. **ENGAGEMENT SURVEYS**—Engaged customers buy. If you measure customer engagement at different stages of the sales funnel, you indirectly measure sales increases.

We here at MaxPoint have put together this brief overview so you have a better idea of your measurement options, and how best to choose. We'll cover two proxy methods—audience match studies and engagement surveys—as well as sales lift studies, so you can find the measurement tool that matches your campaign's goals and fits within your budget.

## AUDIENCE MATCH STUDIES

An advertisement is only as good as the audience it reaches. A powerful ad for a health food product loses its thunder if only fast food junkies see it. But if you target the right audience, then even a mediocre ad can boost your sales (to say nothing of what a great ad can do). Thus, by measuring your ad delivery targeting, you measure your sales.

Most ad platforms report audience match metrics at the end of a campaign. But for additional precision and detail, you can commission a market research firm to run an audience match study on your campaign. During the process, a research firm polls the web histories of study participants to determine how well the ad reached the targeted audience segment. And because the firm knows the panel members' backgrounds, it can provide detailed insights into the responding audience. This gives you more accuracy and insights than you can get with a simple end-of-campaign report from your ad delivery platform.

For example, let's say a company that produces cereal wants to target Hispanic mothers with two or more children. If a high portion of the ad campaign's impressions were delivered to that specific audience, then the company can be confident it reached its ideal audience, and thus its sales should increase.

### PROS:

- Get a strong indication of sales—as long as you know your audience.
- Run a measurement study without having to funnel a significant portion of your budget into the measurement piece.
- Learn new insights about your audience.
- Get campaign results faster than you can with lengthier sales lift studies.

### CONS:

- No data from sales transactions.
- No information on how the campaign affected customers in different stages of the sales funnel. For example, you won't know whether your campaign boosted brand perception.
- Ineffective if you haven't identified the correct target audience.

## ENGAGEMENT SURVEYS

Ultimately, advertising is about sales. But if you focus on only that final number, you might miss the forest for the trees. To really boost sales, you must entice your shoppers at all stages of the sales cycle. This goes beyond whether or not they click—you should measure personal preferences, interests, and beliefs.

Engagement surveys measure a digital ad campaign's effects on shopper attitudes. The process is simple: users in both test and control groups receive a brief survey targeted at a specific attitudinal metric, such as awareness, general attitudes, favorability, preference against competitors, and even purchase intent. Relevant to sales increases, the last metric, a high purchase intent score, indicates a likely sales lift.

For example, a packaged foods company running a digital campaign for a new, low-sugar variant of a successful frozen dinner could use an engagement survey to predict potential sales. In place of an ad impression, the advertiser can serve a single-question survey asking customers if they are likely to purchase the new frozen dinner within the next 60 days. If the test group's scores are higher than the control's, then the advertising campaign will likely produce strong sales numbers.

### PROS:

- Use purchase intent questions to test for sales increases.
- Spend less than you would on a sales lift study.
- Adapt your survey to test your campaign's impact on its targeted stage of the sales funnel.
- Get campaign results faster than you can with lengthier sales lift studies.

### CONS:

- No data from sales transactions.
- There is a risk of small incremental costs. If you do not receive a statistically relevant sample, you must purchase more impressions until you reach the minimum number of respondents.

## SALES LIFT STUDIES

Despite these other options, sales lift studies are the standby for a reason—they're accurate, reliable, and valuable. If you have the budget and you're running a large enough campaign, then a sales lift study can be an absolute home run. By measuring the difference in sales between test and control groups, a market research firm can calculate sales lift, ad waste, and even return on investment.

For example, a consumer paper products company promoting a new, highly absorbent paper towel product can run a campaign in one geographic market as a test group. If a research firm finds that sales for the paper towels are 15% higher in test markets, then the campaign produced a 15% sales lift.

With sales lift studies, you can choose from a combination of study methods. Each type of study produces a sales lift number, but based on the complexity of the study and the difficulty of obtaining the data, each comes with a different price tag. The three most common methods, from least to most expensive, are:

1. **RETAIL PARTNER-BASED (LEAST EXPENSIVE)**—A market research group polls sales transaction data from a single retail chain. By reducing the data to a single source, the firm cuts costs, but also increases bias.
2. **POINT-OF-SALE-BASED (EXPENSIVE)**—A market research firm polls the sales transactions of several retail chains. By testing sales among multiple chains, the firm reduces bias in the study.
3. **PANEL-BASED (MOST EXPENSIVE)**—A market research firm gathers data from a consumer panel to determine sales lift. Because each panel participant provides detailed background information, the research firm can glean additional insights into the audience.

### PROS:

- Know exactly how much your campaign added to the bottom line.
- Get extremely accurate information by using concrete sales transactions.
- Gain insights into your most profitable audience segment when you use panel studies.

### CONS:

- No insights into other stages of the sales funnel.
- Studies can be expensive. In particular, panel studies are often out of the price range of many advertising budgets.
- Smaller campaigns won't produce enough data. You often need to run a national campaign to have a solid data set.
- Studies are lengthy. Sales lift studies require extensive data to complete, meaning you may have to wait before receiving a solid result. Most studies require at least three months of data to produce an accurate result.

## CONCLUSION

We know that digital advertising works for driving offline sales, but you need to prove that it works for you and your specific campaign goals.

That doesn't always mean focusing on a sales number. The proof could be understanding if you hit your target audience. Other times, it's about engagement—if you can just increase your brand preference score, you'll take market share from your competitors and boost your sales. Of course, there are always concrete sales figures—but even there, you have options. Do you have the budget to get a large panel-based study? Or will it work well enough to get data from your retail partners?

So, does digital work for you? We are confident that it will, but only solid testing will prove whether or not we're right.

Run your campaign, test it, and then let us know how your study went. We'd want to hear about which study type you chose and what insights you gained.

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TO GET:

- More detail on each study type
- Advice on which study to pick for which situation
- How each study is run, step-by-step
- Example scenarios for each type of study

Additionally, by signing up, you will receive ongoing updates to our measurement program, including measurement case studies.



### ABOUT MAXPOINT

MaxPoint is a technology company that uses its unique Digital Zip® technology to analyze billions of data points from neighborhoods across the United States to help shopper marketers make better advertising decisions. With MaxPoint, you'll move more products off the shelves with digital campaigns that complement your current shopper marketing initiatives.

Founded in 2007, MaxPoint has offices in New York, Chicago, Los Angeles, Atlanta, Austin, Bentonville, Cincinnati, and Raleigh.

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