ShopAdvisor

Sales Lift Basics

Why Agencies, Brands and Retailers Need Sales Lift Analysis

Not all marketers have access to the person level outcome data necessary to understand the impact of their spend on ad sales. To address this problem, ShopAdvisor has a geo-based Sales Lift Analysis service to help agencies, brands and retailers capture the sales lift created by their mobile proximity marketing campaigns and add a deeper level of return on ad spend (ROAS).

The ShopAdvisor Sales Lift Analysis Methodology

ShopAdvisor's testing methodology helps marketers properly select markets / geographies (cities, DMAs, regions, etc.) to run their campaigns in and help them analyze results. ShopAdvisor's approach enables marketers to understand the effect of their campaigns on actual sales -- units and dollar volume -- and other criteria such as foot traffic across targeted areas.

Understanding Test and Control

All campaigns are conducted using designated test and control locations. Test locations are where the promotions run. Control locations are where the promotions do not run. The objective in selecting test and control markets is to identify locations that will be as close to each other along several dimensions to ensure as much of an "apples to apples" comparison as possible. Markets must also be significant enough to be statistically relevant so that the results are representative of a desired population and representative enough that the results can be extrapolated to a broader universe.

Test and control locations can be created using the following approaches:

Matched Markets

Select a set of similar market pairs such San Francisco and Boston. Show promotions to one and not the other and then compare results.
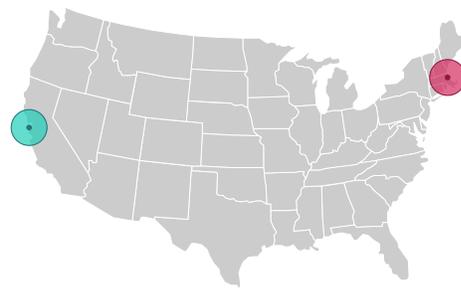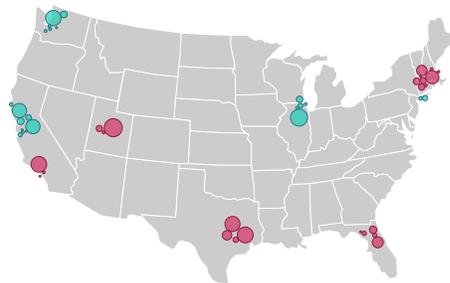
Balance of the Chain

Select a set of markets. Show promotions to those markets and compare to the rest of the country that did not receive the promotions.

Test
Receive ads
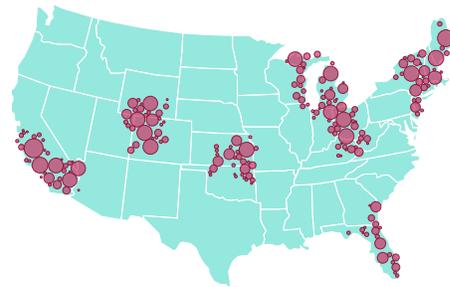
Control
No ads

Group to Group

Select a set of test markets. Show promotions to those markets and compare to a group of "control" markets that are collectively similar to the test markets

Choosing the Data that's Needed

ShopAdvisor uses product availability and sales data from multiple sources including direct feeds from retailers or distributors as well as third party sources such as Nielsen. We examine the sales across the test and control locations over the course of the campaign, which are typically weeks or months.

The required data for sales lift analysis fits into three types of variables:

Location data

which helps to determine the best markets to test. It is important to know which markets are the most important to the customer and which ones we can get good matches on.

Time information

which helps to understand seasonal trends across different locations. Since the campaign will be measured over several weeks or months, we want to find markets that have matching time trends. The most recent data available is the best as it will be a more accurate picture of the time when the campaign launches. The more historical data we can get, the more likely we are to identify good matching markets and detect lift.

Sales information

product-level information is best, but we can have total sales for an area/time period as an outcome as well. For offline sales, if BRAND prefers, you can share "indexed" instead of gross sales amounts.

Developing the Test Design and Measurement Process

ShopAdvisor's sales, campaign management and market analyst teams work closely with the marketer in choosing the optimum mix of the aforementioned elements to be measured in the sales lift analysis. The process for this includes:

○ Identifying the number of stores, geolocations, or DMAs needed for the sales lift analysis.

○ Selecting the test and control location approach -- i.e., matched markets, balance of the chain, group to group.

○ Determining whether the products to be tracked are truly available in the test and control stores and making adjustments as necessary.

○ Executing and monitoring the campaign -- measuring impressions, click throughs and other criteria.

○ Processing and analyzing the sales data for the products being promoted across the test and control locations.

○ Developing and delivering the Sales Lift Analysis results. *Note: as point of sale data is most often collected after month end, final reports cannot be delivered until after this information is reported and analyzed.*

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