

Tracking the Impact of Online Advertising on In-Store Sales:

What Every Multichannel Merchant Needs to Know

A White Paper by:

REVTRAX™



In-Store Purchases Start Online

It's a fairly typical story: A consumer searches online for a product and clicks on an advertisement via a paid search ad for a multichannel merchant. The consumer browses the merchant's website to gather information and waits a week before making an in-store purchase. The merchant loses track of the consumer when she goes into the store and is left wondering if the advertising was actually effective in driving a sale. This story repeats itself again and again with display ads, email marketing, and other forms of online advertising.

Online Ads Generate \$6 of In-Store Revenue for Every \$1 Online

The story above seems fairly intuitive, but what will shock most marketers is the extent to which this is happening:

- **89% of consumers pre-shop and conduct research online¹, but < 7% of retail sales actually take place online.²**
- **Online advertising drives \$6 of in-store revenue for every \$1 online.³**

\$6 of in-store revenue for every \$1 online may seem like a shocking number, but the data is backed by a study conducted by Yahoo! and comScore involving more than 175,000 panelists and \$10.5 Billion in revenue for a group of major retailers.³

¹ BIG Research 2007.

² Forrester, "The State of Retailing Online" 2007.

³ Yahoo! & comScore, "Research Online, Buy Offline" 2007.

⁴ eMarketer, February 2007.



Merchants Need To Track Online Ads to In-Store Sales

Online advertising is changing the way that consumers shop in-store. These numbers speak for themselves: online advertising needs to be as measurable for the brick & mortar division as it is for the e-commerce division. In today's marketplace, in-store sales start online for 89% of consumers. It is imperative that multichannel merchants not only understand the impact of online advertising on in-store revenue, but also utilize the tools available to track individual online ads to in-store sales.

Tracking Individual Ads

Multichannel merchants should place a higher value on online advertising because of increased in-store ad spend. Furthermore, it is imperative that these merchants understand the impact of each media channel and each individual online ad on in-store sales. Only this granular level of understanding will truly empower merchants to optimize online advertising efforts to maximize ROI across online and offline sales.

It is critical to understand the impact of each individual advertisement on in-store sales.

Merchants have been optimizing online ads for years, tracking the conversion rates from impressions to clicks to purchases, and subsequently optimizing online ad spend to focus on those activities that generates the highest ROI. Unfortunately, limited options have existing for doing the same type of tracking on in-stores purchases.

¹ BIG Research 2007.

² Forrester, "The State of Retailing Online" 2007.

³ Yahoo! & comScore, "Research Online, Buy Offline" 2007.

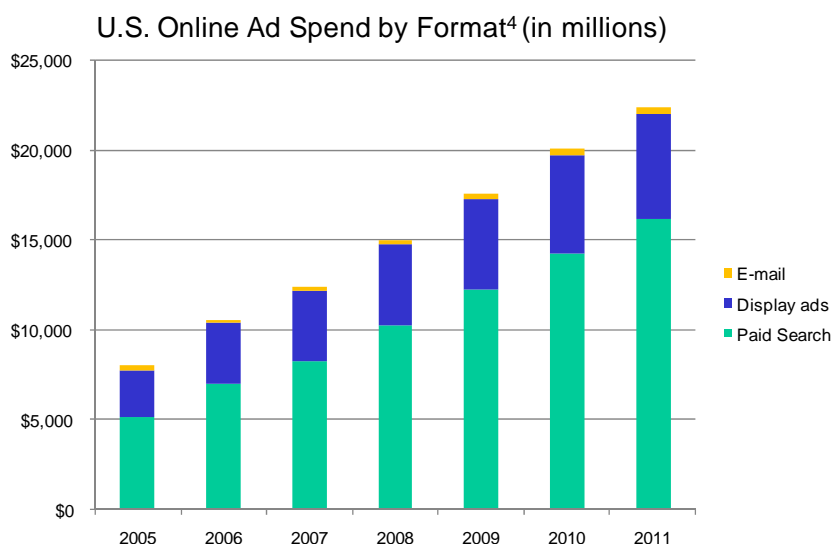
⁴ eMarketer, February 2007.



The Future of Ad Tracking Is Now

Paid Search

According to eMarketer, Paid Search is expected to make up \$10.2 Billion of ad spend in the U.S., accounting for a whopping 43% of all online advertising spend.⁴ Paid search also has the greatest impact on in-store sales lift, three times that of display advertising.³



Paid Search is also one of the most difficult online advertising forms to master, as marketing initiatives live and die by small variations in keyword conversions.

Imagine the possibilities if marketers could track individual paid search keyword conversions to in-store sales. Multichannel merchants could go beyond just making this critical media accountable for online sales, but could optimize spend to drastically increase ROI by purchasing the keywords that generate an in-store purchase, not just a click or online purchase.

Display Ads

Imagine the possibilities if marketers could track individual display ad conversions to in-store sales. Some ads inevitably generate more clicks, but drive lower quality traffic, which ultimately results in less revenue for the same ad spend. Multichannel merchants could optimize ads not

¹ BIG Research 2007.

² Forrester, "The State of Retailing Online" 2007.

³ Yahoo! & comScore, "Research Online, Buy Offline" 2007.

⁴ eMarketer, February 2007.



by impressions, clicks, or other metrics that are a substitute for in-store revenue, but by actual dollars and cents of in-store revenue generated.

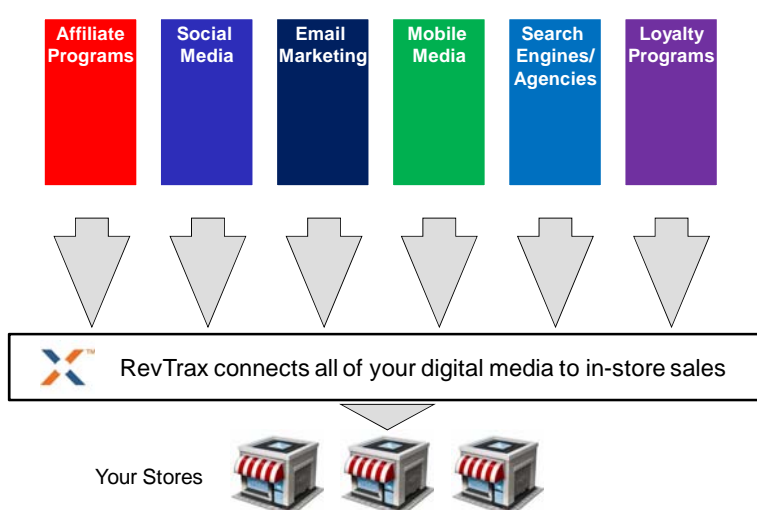
Other Media

As rich media and other online advertising media play an increasing role in marketers' budgets, it is critical that marketers optimize spend not by views or other less-relevant metrics, but by resulting in-store revenue.

Learn More About RevTrax:

RevTrax® Platform

Our cutting-edge technology enables us to offer the most flexible and robust online couponing platform available – customized to meet your needs. RevTrax offers an unmatched ability to securely deliver, track, manage and measure your promotions in the safest way possible.



RevTrax® Media Services

In addition to supporting your existing media efforts, RevTrax has an ecosystem of strategic digital marketing partners who will move the needle and drive serious in-store sales. Let RevTrax act as an extension of your marketing team to help you scope out and execute targeted digital opportunities to drive in-store sales with RevTrax media partners.

Contact us today at 866.996.TRAX (8729) or Sales@RevTrax.com to learn more.

¹ BIG Research 2007.

² Forrester, "The State of Retailing Online" 2007.

³ Yahoo! & comScore, "Research Online, Buy Offline" 2007.

⁴ eMarketer, February 2007.