

Case Study | Engaging Hardware Customers in the Last Mile with Hyperlocal Ad Targeting



HYPER-LOCAL



LOCAL E-COMMERCE



LOYALTY



OMNI-CHANNEL

OmniLocal supports a major hardware retailer we'll call ABC Hardware with a sophisticated hyperlocal ad targeting campaign designed to drive traffic and conversions based on physical proximity to stores.

Thousands of independently-owned stores in multiple countries carry ABC Hardware branding; the company is well-known as a local fixture for hardware and supplies. Perhaps less well known to the general public is the company's **omnichannel marketing program**, which extends from print ads and circulars to many forms of digital advertising.

The ABC Hardware marketing platform combines a **robust loyalty program** with digital and print campaigns designed to build engagement and promote deals and offers locally. While the platform has produced notable successes, the company felt there was room for growth in the areas of local targeting, audience expansion, and attribution.

ABC Hardware's Pillars to Digital Success

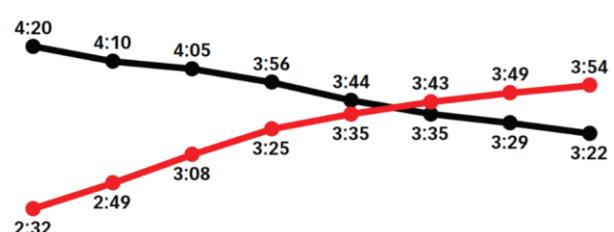
The Challenge

Digital advertising has seen massive increases in sophistication and effectiveness over the past five years and spend on digital has kept pace with these developments, overtaking offline spend in 2019 and projected to **surpass two thirds of overall media spending by 2023**.

Yet the opportunity for localized digital advertising remains, in relative terms, **untapped**. Most digital marketing dollars are still being spent at the national level, where consumers may be targeted based on demographic criteria (as with lookalike audiences) or interest patterns (as with tracking cookies and other forms of profiling), but with only a very general sense of geography.

Stores like ABC Hardware that compete in geographically bounded areas stand to gain immensely in effectiveness of ad spend if they can find and **target relevant local audiences**. Precise targeting means better budget utilization, more conversions, and higher return on ad spend. And the great mobile shift of the past decade means that geographic targeting techniques are broadly available and more likely to reach audiences whose time spent on mobile phones overtook television viewing time in 2019 and is nearing 4 hours per day.

TV and Mobile Devices: Average Time Spent in the US, 2014-2021 hrs:mins per day among population



2014 2015 2016 2017 2018 2019 2020 2021
■ TV* ■ Mobile devices

Note: ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on desktop/laptop while watching TV is counted as 1 hour for TV and 1 hour for desktop/laptop; *excludes digital
Source: eMarketer, April 2019

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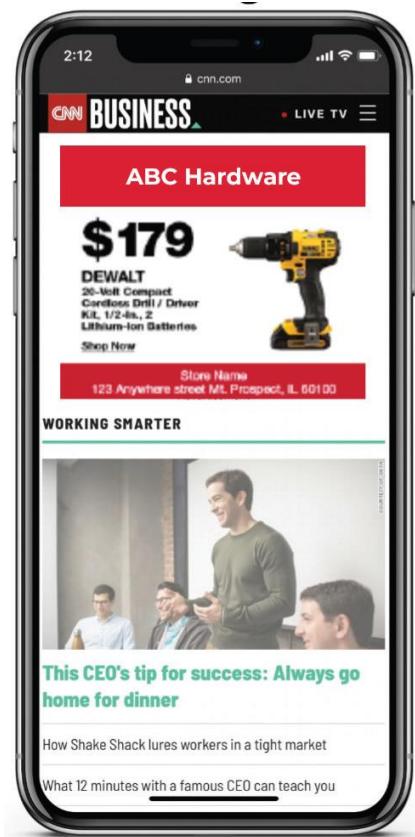
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OmniLocal

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The Solution

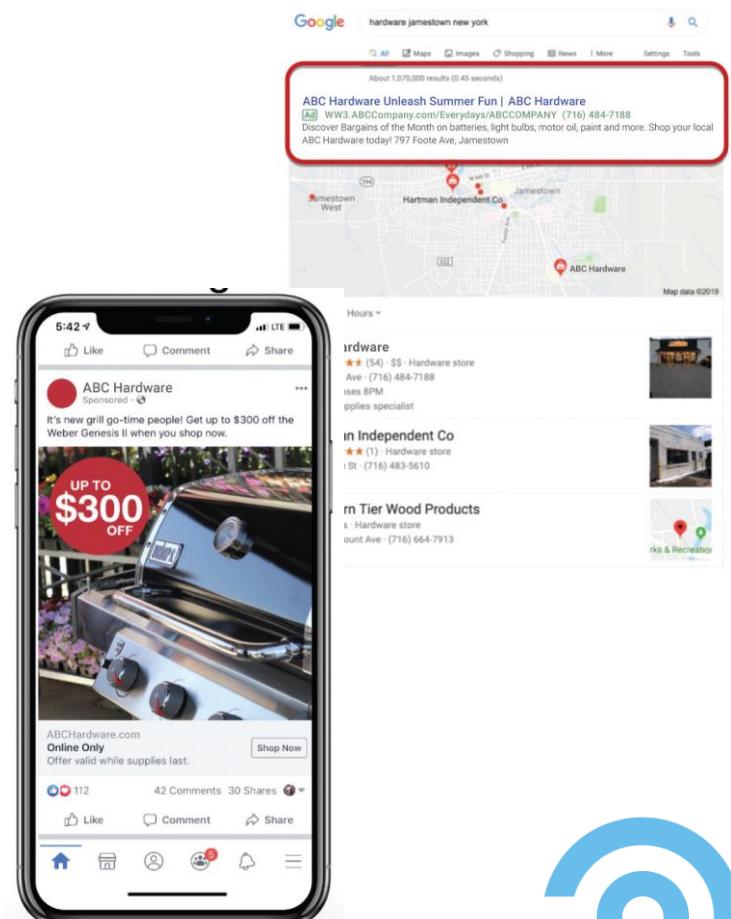


Search ads are designed to **target keywords** relevant to the ABC Hardware brand as well as its product categories and **specific higher-profile products**. Ads are prominently displayed at the top of the search results page. According to Search Engine Land, 63% of consumers say they are likely to click on Google search ads.

Focused on Facebook and Instagram, ABC Hardware's social campaigns are designed to reach the 54% of consumers who are known to **research products using social media**. These campaigns target users based on **location, age, interests, life events, hobbies, and digital activity**. Given that people spend more than an hour a day on Facebook and Instagram alone, such targeting is designed to meet consumers in the places where they prefer to engage online.

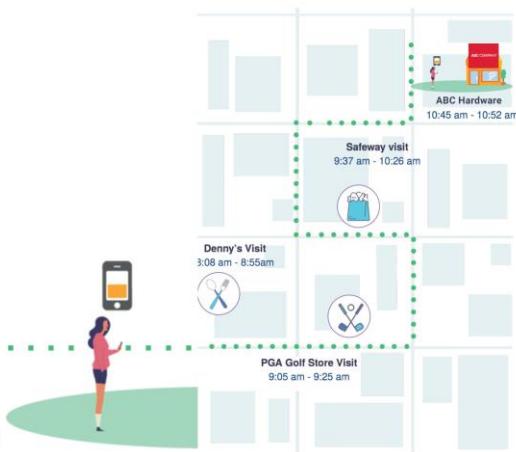
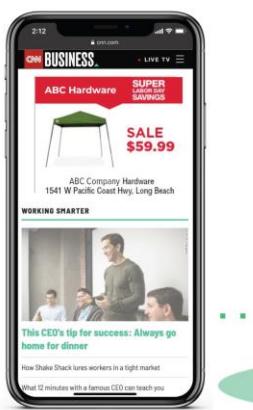
ABC Hardware and OmniLocal worked together to craft a set of campaigns designed around relevant, localized targeting, audience expansion, and foot traffic attribution.

Display campaigns deliver **real-time ads** both to customers in ABC Hardware stores and those visiting **competitor locations**. Campaigns also target, with differences in collateral, those who are **nearby a store** and those who are known to have visited an ABC Hardware store within the last 90 days. Creative elements of all digital campaigns are designed to complement print collateral, building a sense of familiarity within the target audience and helping to **boost conversion**. Print and digital campaigns can be coordinated to promote products on sale and seasonal offerings.



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The Measurement



OmniLocal and ABC Hardware were motivated to move beyond mere clicks and impressions as measures of the effectiveness of ad campaigns. To accomplish this, a custom attribution model based on trackable purchases by loyalty customers as well as foot traffic attribution, measured in terms of customers who saw an ad and subsequently walked into a store location.

The Conclusion

Localized ad targeting permits ABC Hardware to offer digital marketing packages to store owners at a low cost with a **high return on investment**, appealing to the cost-conscious and **results-driven orientation** of hardware store owners. Moreover, targeted campaigns deliver **relevant content to audiences** with high purchase intent based on known behaviors. Such targeting is deterministic rather than probabilistic, meaning that it relies on concrete information such as **physical location** rather than predictions of the likelihood to convert based on secondary factors, as with traditional digital campaigns.

Because of its early success, ABC Hardware's localized targeting program has steadily **gained adoption** among store owners, who see it as a **highly efficient and effective** means of winning new and repeat business from local customers.

Overall, the OmniLocal solution employed by ABC Hardware has provided not just a set of independent techniques, but a full **local marketing solution** integrated across search, social, paid, and hyperlocal channels. The components of the ABC Hardware local marketing strategy work in concert and bolster each other for **maximum overall performance**.

