

HOW ADVERTISING DRIVES RETAIL FOOTFALL

One of the biggest challenges for retailers is determining the factors that drive footfall into stores. A major retailer in Canada was examining its investment in marketing when MERITUS was called in to measure the effects of advertising, weather, and holidays on customer footfall.

Using Data Analytics, the consultants enabled the retailer to plan advertising spend and predict the adverse effects of season and prepare promotions accordingly.

Store visits

Using its specialist vertical expertise in marketing, MERITUS undertook an Analytics programme examining the retailer's TV, print and radio advertising as well as variables such as the weather and holidays (including holidays which drove visitors to the store and those where people preferred to stay at home) as the drivers of store visit.

These various drivers accounted for more than 80% of in-store traffic. Holidays and events played the most important role, accounting for 45% of visitors, with 'back to school' having the greatest impact. TV activity explained 40% of the change in footfalls and was an integral builder. The study also found that certain holidays have a negative impact, explaining 13% of negative footfalls.

Marketing spend

Huge implications for the way the retailer spent its marketing dollars were uncovered in the study. An analysis of the retailer's TV and radio ad-stock revealed the effects of TV advertising were lingering longer than for radio. However, after five weeks, the effects of TV had fallen to 35%, which implied a phased campaign would improve its effectiveness. A recommendation was also made for the optimal operating level for TV advertising, which was higher than the current level.

Radio achieved only a small lift in footfall and a high level of decay (weakening effect of advertising over time). MERITUS recommended the retailer recheck the role of radio in the media mix. Print generated a relatively high lift compared to radio despite lower investments suggesting a larger role in the marketing mix would be beneficial. There was a clear drop in visitor numbers during snowfall.

Recommendations

The Data Analytics revealed the need to enhance the company's advertising mix, particularly with a view to investing more in TV and print and design promotions around negative drivers of footfall such as bad weather. In-store traffic has increased significantly since the recommended changes have been made.

