Why does Google care about RFID?

What we’ve learned as the world’s largest online-to-store measurement provider

Kate Conroy, Google Shopping Ads Specialist, Nov 2018
Knowing where something is can be a deal breaker
How I was ‘nudged’ to a new store - by Local Inventory Ads
“Nudge” (behavioural economics): A small change with a big impact on human behaviour

The Nobel in economics rewards a pioneer of “nudges”

Richard Thaler becomes one of very few behavioural economists to receive the discipline’s highest honour
Nearby Availability is a classic ‘nudge’

- Study: Group of people urged to get vaccinated with compelling info
- Most agreed they intended to get vaccinated
- Only 3% did
- However, when reminded of the location and opening hours of the clinic and noting in calendar, 27% did
- Even though they already knew where the clinic was

“Often we can do more to facilitate good behaviour by removing some small obstacle than by trying to shove people in a certain direction” - Richard Thaler

61% of Australia’s largest retailers display store inventory on their website

Display store inventory on site today

1 hour click & collect

Same day click & collect

No local inventory or click & collect
Demand: ‘Near me’ Searches on Google are increasing rapidly

Australia. Past 5 years. Web Search.
2-in-3 of Aussie shoppers conduct online research prior to purchase.

Q20A/B: For each type of information you looked for on/offline, where did you find it?
Base: All Retail Purchasers n=2001, Apparel n=501, Mobile phones n=500, CPG n=500, TV n=500
*CPG: Cosmetic, Personal Care, Hair Care, Chocolate, OTC Medicines and Vitamins
Local Inventory Display on Google - See What’s in Store (free)

Search the ‘See What’s In Store’ box from any local listing or from Google Maps.

Free (organic) traffic

Requires daily local inventory feeds to Google.
Local Inventory Display on Google - Local Inventory Ads (paid)

Let Shoppers know you have the item they want in your local store.

Bubble shows “In Store” annotation or distance to your closest store.

Clicks land on Google-hosted page with product and store details OR option to land on retailer site if it contains local inventory info.
Local Inventory data feeds to Google

Local Products Data Feed
Tell us what you sell in stores, including GTIN

Local Inventory Data Feed
Tell us how many, which stores, what price

google.com/merchants
How we check local inventory accuracy (with humans!)

Retailer Local Inventory Feeds

Store check team manually checks a random sample of stores and items before going live

Ongoing mini phone checks

Once passed, inventory goes live on Google
On average, Australian retailers requesting local inventory store checks from Google fail the first round of checks. To pass, accuracy must exceed 90%. Most stores we check have never compared their website inventory to actual shelf inventory.
We check:

- Is the item in stock *for consumers* (on shelf)?
- Does the price match?
What is the impact of Local Inventory on Store Footfall?

How much difference can this really make?

2.7x higher incremental store visit rate

Source: Google Data, April-July 2017
Google Store Visits methodology

**User behavior**
- Signed-in & opted into location history
- Ad click
- Ad Impresion

**Store visit**
- User visits store

**Backend data**
- Google sign-in data
- Google Ads data
- GPS + Wi-Fi triangulation
- Location history
- Building geometry + Wi-Fi scanning

**Ongoing data validation**
- User panel (surveys)
- Extrapolated to the population, aggregated and anonymized

Source: Google Internal Data
Challenges - what’s stopping you?
(1) Knowing what’s in store and on shelf

What processes do I need to put in place so that shelf inventory can be reflected online with >90% accuracy?
(2) Understanding benefits & implementing across your org chart
Sometimes it can feel like this...

Retailer

Traditional Marketing Team

E-commerce team

Stores
But...The OMNICHANNEL consumer is a more valuable client

Compared to the annual average spend of people who only shop in one channel:

- Target: 3x
- John Lewis: 4x
- Walgreens: 6x
- Macy's: 8x
adidas Japan used LIA to improve store visits by 42%.

**Goals**
- adidas Japan aims to provide more useful information to customers when buying products both online and offline.

**Approach**
- Set up over 150 stores in Google my business account.
- Upload 3 feeds (Local products feed, Local products inventory feed and Google My Business locations) in addition to the online product feed.

**Results**
- Store visit rate increased by +42% compared to PLA.
- Store visit cost decreased -52% compared to PLA.

‘Local inventory ads’ is an important solution for us to deal with consumer needs such as “now want to see/ want to buy”. I believe that effort and cooperation between our retail and digital staff will strengthen the trend that consumer behavior begins online and finishes offline.

-Jessy Steeg, Senior Director of eCommerce
Thank You

Questions? kateconroy@google.com