



# The Marketer's Guide to Navigating COVID-19

**Edition 3**

by **ovative**group

April 10, 2020

To my fellow marketers:

In our third edition of “The Marketer’s Guide to Navigating COVID-19,” we are diving into geo-based optimization opportunities for retailers.

While it may not feel like it, there *are* opportunities to drive revenue right now. Analyzing your data to identify these opportunities is the most important thing marketers can do.

One recent example was an analysis we did to compare market-level ecommerce revenue before and after COVID-related store closures, leveraging data from our marketing analytics platform (MAP). We identified variations across markets and are helping clients make geo-based optimizations.

Every retailer is different, but we hope these insights and examples inspire you to find creative ways to maximize your marketing investments in this new environment. Curiosity is key, now more than ever, and we’re working hard to bring that to life.

Be well.



*Dale Nitschke*

**Dale Nitschke**

*CEO and Founder of Ovative Group*

## Methodology

Ovative's Marketing Analytics Platform (MAP) leverages customer-level online and offline CRM data to measure and optimize media investments to enterprise marketing return (EMR). We have a wide range of retail clients currently using the platform.

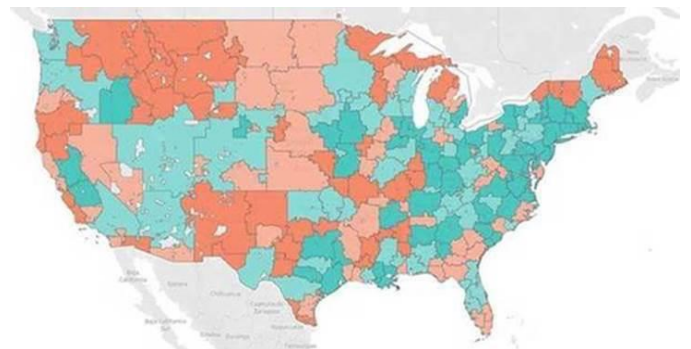
Leveraging MAP data from an anonymized subset of retail clients, we measured the delta between pre-period covid-related store closures (Mar 5 to Mar 17, 2020) and post-period (Mar 18 to Mar 30, 2020) across all major US metro areas (defined as population >1M). Most retail store closures occurred around Mar 18, so this analysis compares ecommerce performance before and after store closures.

## Observations

- We saw meaningful variations by metro area **RANGING FROM -18% TO +27%** in Ecommerce Revenue pre vs. post-period.
- Overall, we saw an **11% INCREASE** in Ecommerce Revenue on average since stores closed on 3/18.
- Metro Areas in the top quartile (including Sacramento, Phoenix, and Orlando) saw an **AVERAGE INCREASE OF +21%** in ecommerce revenue since store closures.
- Metro Areas in the bottom quartile (including San Francisco, New York and Washington DC) saw an **AVERAGE DECREASE OF -4%** in ecommerce revenue since store closures.
- Geo-based optimizations are possible. 16 of 27 major metro areas experienced a **>10% INCREASE** in Ecommerce Revenue after store closures.
- New York City and San Francisco were the two most negatively impacted major metros for the retail segment, trending **DOWN 14%** on average. The East Coast (with the exception of New York) has weathered COVID-19 better than other regions.

## Post-Period E-Comm Performance

The graphic on the right depicts Ecommerce Revenue per Capita. Blue represents strong performance post store closures (>75<sup>th</sup> percentile) and orange represents poor performance (<25<sup>th</sup> percentile).



## Recommendations

- ➔ Conduct a similar analysis leveraging your own data. If possible, incorporate spend to understand return by metro area.
- ➔ Identify markets with the largest and smallest deltas and right-size your investment in those geographies accordingly:
  - Apply bid modifiers to Non-Brand Search and PLAs
  - Exclude poor-performing metro areas from Social platforms to avoid pushing ads to customers who are not shopping
  - Purchase display media by metro area
- ➔ COVID will impact different regions at different times. Refresh the data to track the impact of the virus over time and continuously refine your optimizations.

### **About Ovative Group**

Ovative Group is a Minneapolis-based, independent media and measurement firm. We bring together the best of strategy, measurement, and media to enable an enterprise approach to marketing that increases our clients' profitable revenue, strengthens their customer base and creates a sustainable competitive advantage. To learn more, visit [www.ovative.com](http://www.ovative.com).

### **About MAP**

Ovative's proprietary Marketing Analytics Platform (MAP) unifies Marketing Mix Modeling, Multi-Touch Attribution, Future Customer Value Modeling, and Incrementality Measurement. By stitching these capabilities together, we are able to assign business value to each marketing touchpoint across a consumer's path-to-purchase, enabling media teams to make smarter marketing mix and tactical optimization decisions that drive profitable revenue growth and customer acquisition. To learn more, visit <https://ovative.com/products/>.

