

LOCARIA CASE STUDY

# GLOBAL MARKET SCOPING TEST AND INTERNATIONAL EXPANSION

A Global, multi-brand retailer asked us to help them identify and act upon international growth opportunities.

# OUR OBJECTIVE

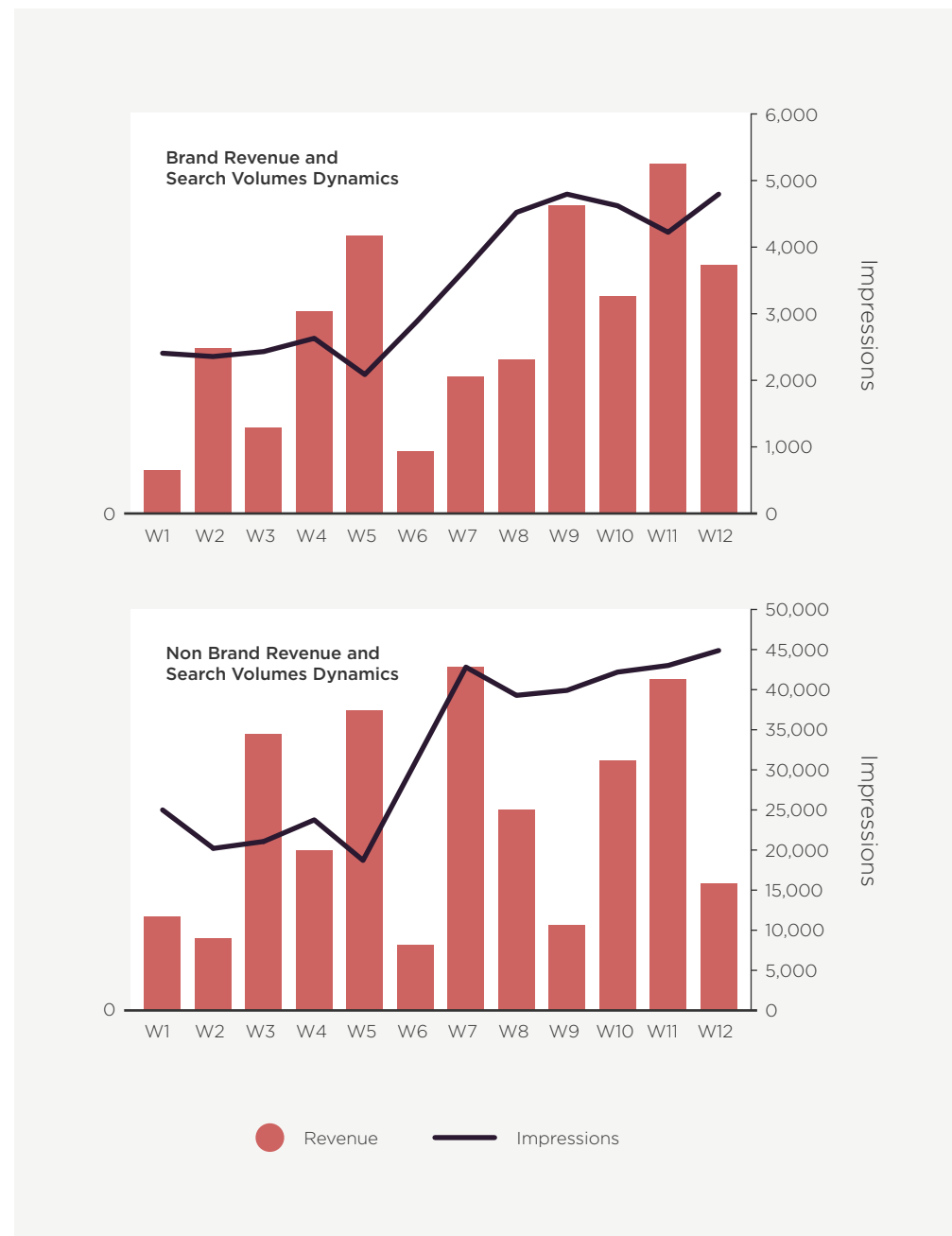
Locaria was tasked with evaluating existing consumer demand and potential opportunities for a global retailer across several regions. More specifically, the goal were:

- generate incremental revenue
- keep profitability at a break-even level
- build the data required to help craft a strategy for a full launch in each market.

# WHAT WAS ACHIEVED?

Over a 6 month test period, Locaria helped the retailer expand into 13 international markets (Spain, Mexico, Sweden, Denmark, Malaysia, Singapore, Japan, Israel, Qatar, Kuwait, Saudi Arabia, Oman, UAE) and run marketing activity in 7 new languages (Spanish, Swedish, Danish, Malay, Japanese, Hebrew and Arabic).

The increased awareness and presence from these localised campaigns helped drive 26,054 additional visits to the brand website, and generated \$155,917 in additional revenue. Notably, both of these metrics enjoyed consistent growth over the activity timeline.



# HOW DID WE DO IT?

Locaria identified new regional opportunities through a Global Market Scoping Test (GMST). This began by determining which markets were worth running test activity in. The initial phase consisted of a combination of market research, opportunity analysis and local market knowledge.

Working with an agile methodology, we then ran localised test campaigns in the prioritised countries, which enabled us to make informed decisions moving forward, based on the performance data generated.

Our team took the following steps:

## **1. Research**

For each targeted market, our International Analysts answered the following questions:

- / What is the perception of the retailer in the market?
- / What difficulties could the client face in marketing online locally?
- / Who is the target audience and how should we approach them?
- / What is the current e-commerce culture in the market?
- / How and when do prospective customers search online?
- / What brands & products are they interested in buying?

## 2. Campaign builds

After the initial background research period, Locaria worked with the client to decide which designers to target for each market. Brand visibility and awareness differs significantly between regions, and so understanding these market nuances and trends is key to providing maximum returns on a fixed media budget.

## 3. Testing

Once the structure was built, Locaria ran test campaigns to get further insights in a live environment. The team produced a variety of ads, including different calls to action, and these variations were then assessed on their click through and conversion rates. Our local cultural knowledge and experience allowed us to further enrich campaigns by understanding why particular variations were producing gains & losses.

Brand / Designer	Campaign Type	Languages	Location
Client	Pure Brand	AR, DK, HB, JP, MA, MEX ES, SE, ES	UAE, KW, BH, QA, SA, DK, IS, JP, MA, MEX, PRI, SE, WW, ES
Designer 1	Accessories, Bags, Clothing, Shoes	AR, DK, HB, JP, MA, MEX ES, SE, (EN), INT ES	AR*, DK, IS, JP, MA, MEX, PRI, SE, WW, ES
Designer 2	Accessories, Watches	AR, DK, HB, JP, MA, MEX ES, SE, (EN)	AR *, DK, IS, JP, MA, MEX, PRI, SE, WW
Designer 3	Accessories, Watches	AR, DK, HB, JP, MA, MEX ES, SE, (EN)	AR *, DK, IS, JP, MA, MEX, PRI, SE, WW
Designer 4	Accessories, Bags, Clothing, Shoes	AR, JP, MA, MEX ES, SE, (EN)	AR*, JP, MA, MEX, SE, WW
Designer 5	Accessories, Bags, Clothing, Shoes	HB, MEX ES, (EN)	IS, MEX
Designer 6	Accessories, Bags, Clothing, Shoes	JP, AR, (EN)	JP, AR Region
Designer 7	Accessories, Clothing, Shoes	JP, (EN)	JP
Designer 8	Jeans, Dresses	HB, MEX ES	IS, MEX

Regular ad copy testing was performed across the following areas:

- o Foreign element tests in the ad copies (eg measuring the impact of short English phrases and calls to action in Japanese ad copy)
- o Carrying out independent A/B ad copy tests for each market
- o For languages that use a non-Latin alphabet, testing transliterated designer names vs. the trademark restricted brand names in the Latin alphabet
- o Measuring the impact of a call to action phrase in the headline vs including the product category (e.g. 'Designer Sunglasses') in the headline
- o Quantifying the impact of vague descriptions in the ad copy

## WHAT'S NEXT?

The data provided by the GMST is being used to drive informed decisions on how to best prioritise future actions. Using forecasted outcomes, Locaria was able to establish the following rules and actions that would drive future strategy:

- o Maintain activity and boost performance by tailoring future content for Mexican Spanish, Hebrew and Japanese as these languages had brought the most revenue
- o Expand non-brand campaigns for these same markets, as they also contributed the most orders from non-navigational campaigns
- o Expand non-brand campaigns with worldwide targeting for Swedish, Danish and International Spanish languages due to a high number of conversions from these languages
- o Expand non-brand campaigns with localized keywords across all languages apart from Arabic

## SUMMARY

Locaria used our Global Market Scoping Test to identify and compare the markets that offered our client the biggest opportunities for international expansion.

Awareness and demand for each brand being sold can differ significantly from market to market, so this was a crucial component of new market entry for retailers.

The team then used the data generated from executing small scale test campaigns to inform future actions, minimising the risk of over-investment in the wrong markets. During this test process, incremental revenue targets were achieved whilst also providing well-defined entry strategies for the retailer.



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