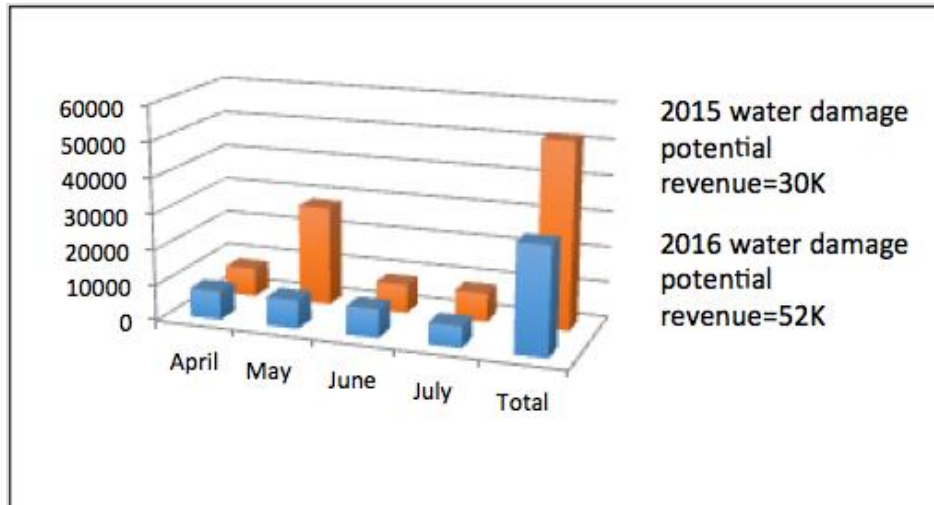


A Pay-per-click Advertising Case Study

Is a 40% Increase in Ad Spend Justified by Increased Leads?



Goal

Test and measure to benchmark job requests vs. a first increase in ad spend in over three years; does return on investment (ROI) justify a 40% increase in the advertising budget each month?

Background

This Midwest franchise location has been working with Ideagility for several years.

Ideagility works closely with the team on benchmarks each month, providing Account Progress Checkups and annotated call logs. Profitable results — closed sales directly resulting from an individual who responded to a pay-per-click ad — are carefully tracked by the in-house marketing team.

These savvy marketers averaged a 6X return on total dollars spent each year: closed jobs resulting from an ad typically brought in six times the cost of the Ideagility service fee plus the monthly ad spend.

In 2015 returns dropped to an average of 5.5X return on total dollars spent. Analysis by Ideagility revealed that the main culprit was the rising cost of advertising for water damage online; it nearly doubled over four years, leading to a decrease in ad effectiveness.

Precise testing was recommended to reveal whether a budget increase was justified.

Outcomes



After increasing the monthly advertising budget beginning in April of 2016, the budget was focused primarily on water damage. Although smaller services like carpet cleaning were also advertised, only high value water damage job leads were measured to calculate lead results for April, May, June and July and to compare them to the same period in 2015.

Increasing the ad spend just 40% over four months (to just under \$800) delivered a 73% increase in job requests; recorded phone calls requesting help with water damage.

This advertiser used internal data to benchmark the value of each phone call requesting a job estimate to an average of \$2,000. In the end, leads and closed sales data reported by our clients revealed that the increase in ad spend drove job leads up by 22K over four months. Clients reported closed sales, delivering ROI of over 9X on the leads resulting from the test.