

SWITCH

# **In-Depth** *Performance* *Marketing* **Case Study**

**Or** how we *increased ROI by over 2,000%* in just **6 weeks**. The case for *performance marketing*.

# TL;DR -

Our client approached us to work on their Search and Facebook **Ad campaigns**, which they were running *in-house*. With cunning, multi-approach strategies, split testing, and ad optimisation we took their ROI from 1.2x to 19x *in a couple of months* for Search and from 1.07x to 35x on Facebook over the same period.

This means that the client multiplied sales many times over without an increase in ad spend, all the time increasing their net brand awareness.

# Scenario

A client that operates in a *highly competitive*, almost completely **commoditized market**, approached us to discuss their search campaigns. Their numbers, 1.2 x return on their Google Ads (revenue of €1.20 for every €1 spent), seemed low and they'd heard of our revenue *multiplying magic*.

*The Client in question operates in a highly competitive market, which is why we can't divulge this much detail and the client name. We had to choose one or the other, and we chose to leave the client's name shrouded since the performance gains can be this great in most markets. Feel free to contact us for further proof.*

# Approach

We **maintained** the client's presence across the two main platforms they were running on already (Facebook Ads & Google Search) and *aggressively* tested which placements and ad types would work better, and for which *reasons*.

Seems obvious, but we kicked off the project by applying the scientific method to test the best way forward. Every week we chose one hypothesis to test, changed that factor in 50% of the ad spend and ran the ads for a week, comparing results, choosing the winner and testing another factor aggressively the following week.

These tests of fundamentals are what allow us to rapidly increase ROI from one week to the next. **In fact, by doing so, the first 6 weeks of working on the account saw us increasing the return on investment from ad spend across the whole account by over 2,000%.**

These fundamentals varied in scope, in some cases they were technical (setting up ad placements manually vs allowing Facebook to split budgets) whereas in others they were tactical (comparing how ads with different benefits of the product performed in comparison to each other).

*By rapidly testing the fundamentals we also made it much easier for us to focus on the creative and brand details down the line, safe in the knowledge that we don't need to test basics for a while.*

# Glossary

## **Conversion**

The definition of a conversion changes from one campaign to another, however in this case we were measuring actual sales as conversions. For some other campaigns, however, we might count a filled form as a conversion.

## **Fundamentals**

Some fundamental rules that we applied based on tests that we ran early on in the campaign.

## **LTV**

*Lifetime Value (of a customer).*

This is the average amount of money a customer spends with a company over the entire lifecycle of the relationship.

## **ROI**

*Return on investment*

Measured as a multiplier of money spent vs revenue generated. An ROI of 1X would be achieved if we sold €1 for every €1 spent on advertising, 10X is where we sold €10 for every €1 of advertising.

# Search Engine Marketing (SEM) Strategy

As always, we looked at the market first. It takes a **thorough** analysis to create a multi-approach *strategy* and the market gleans heaps of data for us to analyse and *work with*.

This approach is key. With such a wide audience, a single strategy would be a great underutilisation of resources. The beauty of search is that one can create a unique campaign per audience - and every audience can be very minutely defined, especially since the keywords used will usually tell us a lot about the intention of the prospective customer.

For this set of campaigns, we split audiences by search intent. Ultimately, this guides purchase behaviour so we could stratify by the aggression of search intent and greatly improve ROI. We'll get to the numbers in a moment. First, let's look at a parameter called customer lifetime-value (LTV).

While some customers will only ever effect a single purchase, others are repeat customers. The latter can handle more aggressive campaigns than the former. And we know the detail - every one of our campaigns is measured all the way to the moment of purchase.

Having this granular tracking allows us to analyse the campaigns that are delivering the highest ROI and to fine-tune from there. As geeky as it sounds, we're thrilled by the sheer amount of data that this approach delivers because it

means we understand our every move and use it to improve the performance of the next in a cycle of continuous optimisation. Put in another way, why put money into campaigns that are not performing when you have the data that tells you exactly what's working and what isn't?

We ran regular A/B testing to determine which campaigns, ads, ad copy variants, and budget allocations were working best. We ran our analyses over several weeks, fine-tuning as we went along.

As we progressed, we optimised to reduce Ad Cost-Per-Click - all the while optimising conversion rate and conversion value.

**Using a combination of manual, human-supervised optimisations and AI algorithmic conversion optimisation, we could achieve a steady increase in performance that allowed us to increase spend while maintaining a good ROI.**

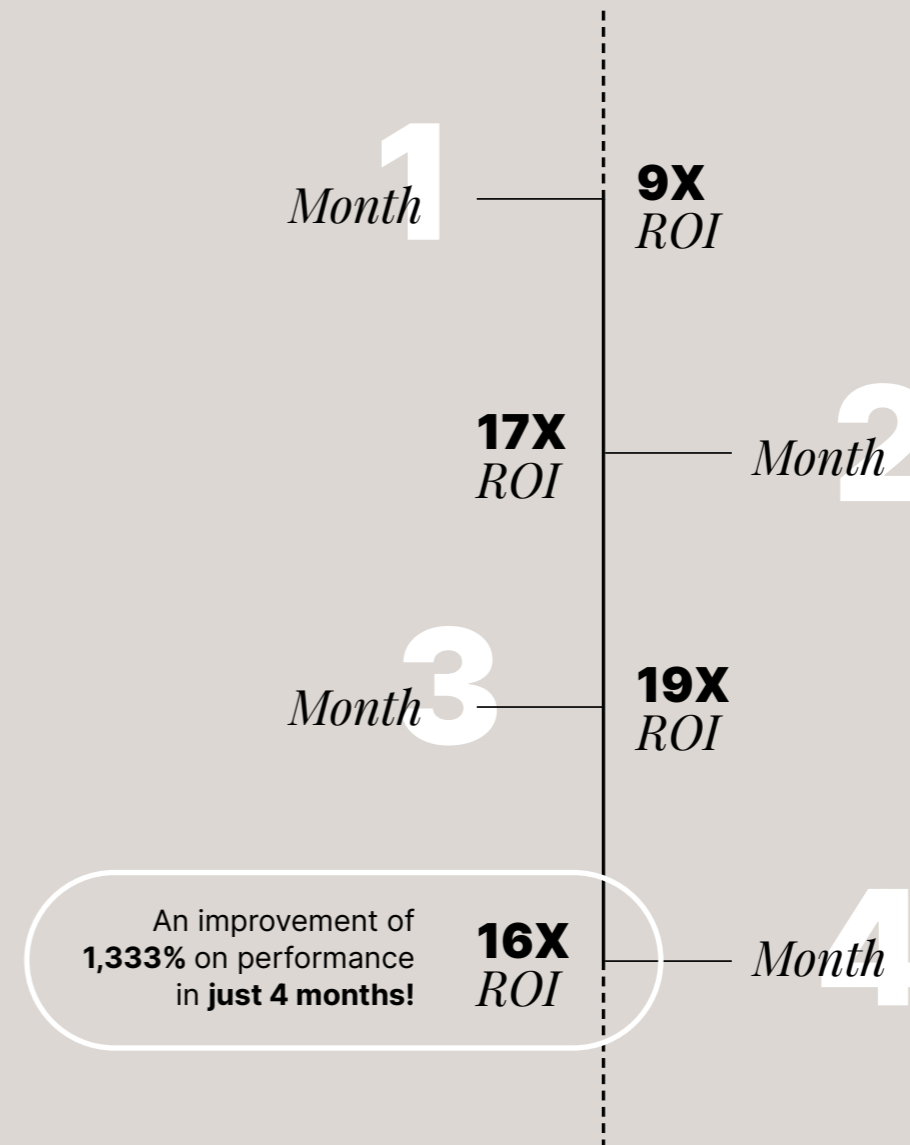
We also use a number of Google Ad tactics to ensure the highest quality scores possible for the Ads being run. Ad quality is significant. It means that we are charged the lowest rates possible for every ad that's displayed.

*Most campaigns* are typically run at quality scores of 7/10. Most of *our campaigns* run at a **quality score of 10/10**. This allows us to run ads at the *cheapest possible rates*.

<input type="checkbox"/>	<input checked="" type="radio"/>	Keyword	↓ Clicks	Impr.	CTR	Cost	Quality Score	Quality Score (hist.)
Total: Keywords <span>?</span>								
<input type="checkbox"/>	<input checked="" type="radio"/>						10/10	10/10
<input type="checkbox"/>	<input checked="" type="radio"/>						10/10	10/10
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# Results

We said we'd get to the *numbers*. Remember that 1.2X ROI? Here is the ROI we achieved, *jumping* to 9X in the very first month then **doubling it**:

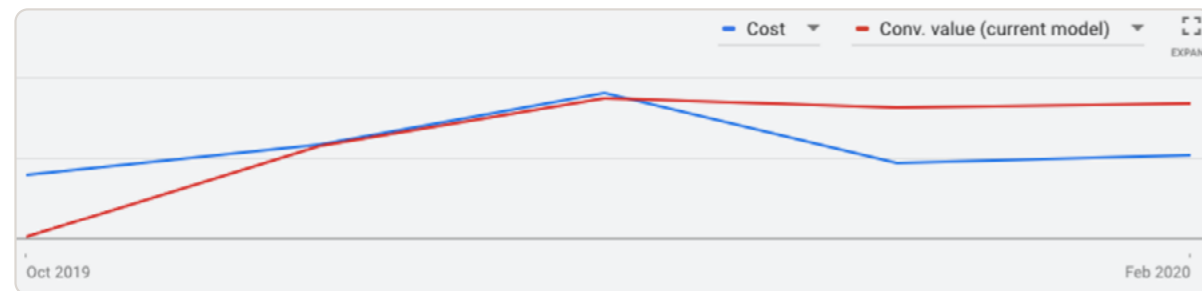


*ROI is liable to drop in some months based on search volumes.*

# Costs vs Conversions

As cost per conversion decreased dramatically, we gradually increased our client's ad spend, observing a proportional increase in sales. We kept a watchful eye on ROI however - as the return on our spend inevitably tends to plateau it is wise to know when to scale back spend while retaining the same sales figures.

**Check out this graph.** The point where the two lines meet is the point we were waiting for and, even though we significantly tapered off the spend (the blue line), we did not dip the sales.



# Cost per Conversion

The next graph shows cost per conversion - we halved the cost over four months and retained the same sales, allowing us to obtain **twice the sales for the same ad spend.**



You've all heard that there's "Lies, damned lies, and statistics". We have to really be vigilant to never let a set of statistics / results, skew our efforts.

It is very easy to obsess about a specific number, especially with certain "vanity" metrics such as reach or engagement, which is why we always set up our reporting keeping VQVC in mind.

Volume

Where we measure the numbers in their purest form. Are we getting more of whatever we're trying to do?

Quality

If we're spending a lot of money, bringing in a lot of traffic but not converting, we're doing something wrong.

Value

We need to ensure that our marketing efforts are actually bringing in revenue (or other value we attribute to the campaign)

Cost Effectiveness

We measure how much return we're getting on our spend. Profitability is a cornerstone of marketing efforts.

Or how we insert *checks & balances*.

# Facebook Ads *Strategy*

Our strategy here was **consistent** with our search strategy, only Facebook is a different playing field. Of course, we *examined audiences* with a fine tooth comb, worked out **appropriate** budget splits, and established a *rock-solid set of KPIs*.

What we did not have was a strong performance history to learn from so we dug in and employed widespread, short-term, A/B testing, ruthlessly scrapping the lower performing assets while promoting the ones our audiences were responding to. It helps to have a creative team in-house during this period!

As testing progressed our optimisation efforts paid off exponentially. We analysed a slew of data points that included, for instance, audience profiles, timings, content nature, and ad copy - fine-tuning as we went along.

“Besides the manual supervision, we also ensured that we were using the capabilities of the Facebook platform to its fullest potential. By leveraging the platform’s AI tools for audience building and optimisation, we could give it what it needs to achieve peak performance.”

After 6 weeks of testing we had established a base structure for eCabs Facebook ads.

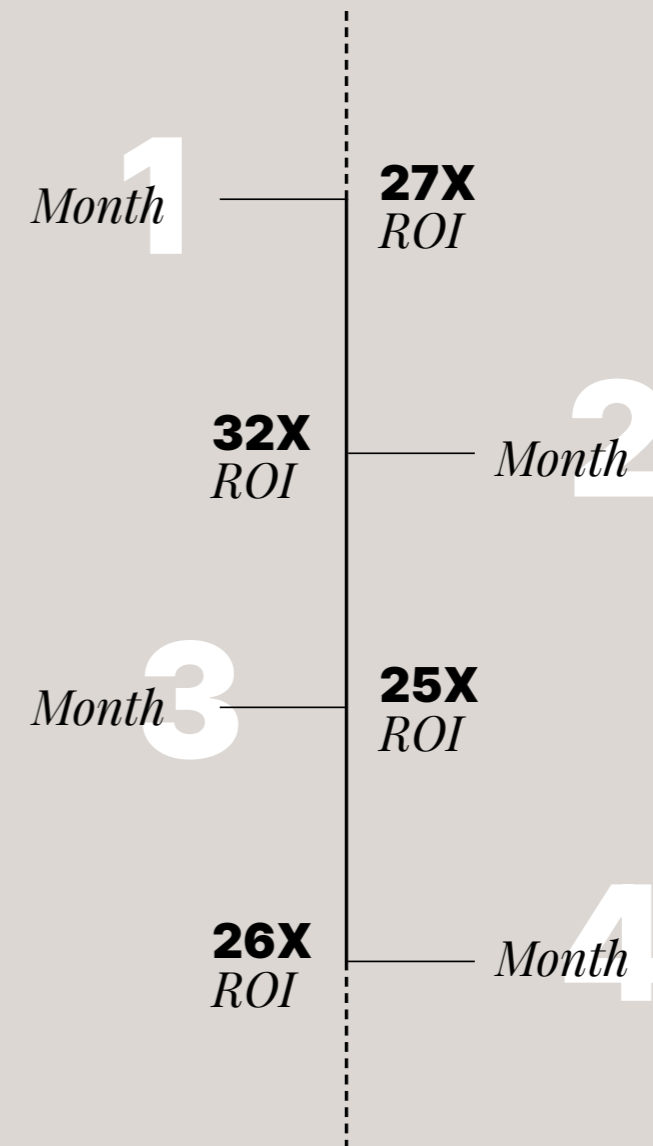
This meant we could focus on the stories we wanted to tell and we created more beautiful and engaging content, strictly observing the rules we’d established during the testing phase.

In the same way as we’d done for Search (Google Ads), we focused on the number of sales we could generate for the client. But Facebook also delivers the goods when it comes to brand awareness. Using an entirely different set of KPIs and a strategy tuned to Brand rather than conversion, we ran multiple intent campaigns simultaneously.

*The beauty of this approach is that each campaign supports the other, synergistically delivering results that one or the other alone could not have managed. The result? Even more significant returns on our client’s investment in the short term while creating long-term returns of brand equity as well. Sales conversion ads deliver immediate results while brand loyalty builds long-lasting, value-based relationships with a growing customer base.*

# Results *ROI*

We started with 1.07X ROI so we knew we’d see *gains*. We exceeded our own expectations here, **multiplying** our client spend *effectiveness* by 32x in just 8 weeks:



*The dips in ROI coincide with the slowest months of the year for our client - this is a very seasonal business so while a dip appears, it represents significant gains over previous years.*

# Cost per Conversion

The Cost Per Conversion dipped significantly as a result of the strategy we employed, down to a point where our client was suggesting an increase in spend to benefit from the surge in ROI and sales conversions they experienced.

## Conclusion

In the end, they saw the **real benefit** of Search and Facebook advertising when it is done *strategically*. With low ROI it is an expensive and frustrating endeavour. Simply approaching the matter strategically, having the skills to **test and optimise**, and the staying power to *observe returns* gave our client what they wanted and much more - a massive multiplier effect between their ad investment and sales, with a huge boost to *brand awareness as a bonus*.

## *Interested in* learning more?

We will be *more than happy* to look into how we can work **with you** to set up your campaigns and run them in a way that will also see you increasing your performance *dramatically*. Our experts are always dying to combine their guile with the technology available to us to give you **performance boosts** that most businesses can only *dream of*.

Send us an email on [espresso@switch.com.mt](mailto:espresso@switch.com.mt) and we'll be happy to have a chat with you to see how we can help you get *much more* out of your digital spend. Let's **work together** to change your spend into *an investment*.