Campaign Brief

Background

Advertiser:
Spoke Bicycles

Marketing Objective:
Drive $1 million in cycling product sales across target audiences in next quarter with 25% of this sales growth from new customers.

Target Audience:
Cycling enthusiasts who are not yet customers and people actively researching or planning to buy cycling products in cities with Spoke Bicycle shops

Background

Profit Margin:
On average, Spoke has a 50% profit margin for each sale. In other words, it makes $50 in profit for each $100 in cycling product sales.

Campaign:
Although Spoke would like to grow its market share with new customers, it does not want to lose money while advertising to these target audiences (ROI > 0).

Conversion Assumptions:
On average, a store visit results in $25 product sales.
On average, 25 ad clicks result in 2 store visits.

Formulas

Profit:
Profit = Product Sales * Margin

Return-on-Investment:
ROI = Profit / Ad Cost

Cost Per View:
CPV = Campaign Cost / Views

Cost Per Action:
CPA = Campaign Cost / Store Visits

Budget:
Budget = Target Profit / Target ROI

Part 1

Evaluate Campaign Effectiveness

Campaign Effectiveness

Spoke used YouTube video ads to drive considerations among new customers and shopping display ads to drive sales among in-market audiences. Its **marketing goal was to achieve $1 million in sales** by driving store visits - with a growth objective of 25% new customers.

Campaign Setup

Campaign	Campaign Goal	Bid	Target
YouTube Video	Product Considerations	CPV	$0.033
Shopping Display	Product Sales	CPA	$9.375

Note: Stoke tracks store visits as a key metric across the customer journey. All transactions are fulfilled locally at the bike shops with customers visiting the stores to purchase there or pickup cycling products purchased online.

Campaign Effectiveness - Ads
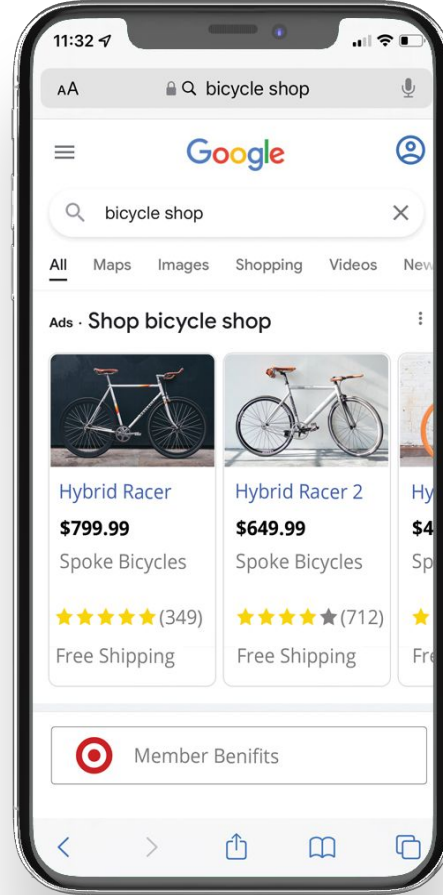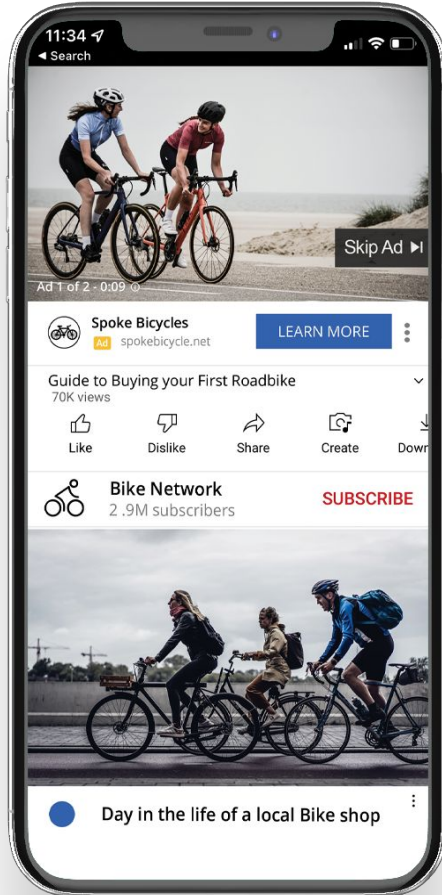
Campaign Effectiveness

1. Calculate the total values and the actual KPI-s
2. Answer the questions below the data

Campaign	Cost	Views	Store Visits	Sales	Bid Strategy	Target KPI	Actual KPI
YouTube Video	$240,000	6,000,000	7,680	$192,000	CPV	< $0.033	**$0.040**
Shopping Display	$282,000	35,250,000	32,000	$800,000	CPA	< $9.375	**$8.813**
Total	**$522,000**	**41,250,000**	**39,680**	**$992,000**			

Did the overall campaign achieve the sales objective?

No, it didn't achieve the goal of $1 million in sales. Although it got close ($992,000).

Did each strategy deliver on its target KPI?

No, only Shopping Display delivered its target KPI ($8.813 < $9.375 **[Target]**).
Youtube delivered $0.040 > $0.033 **[Target]**).

Calculate the ROI

Calculate the target profits and budget below

Campaign	Budget	Target Sales	Target Profit	Target ROI
YouTube Video	N/A	$250,000	**$125,000**	N/A
Shopping Display	N/A	$750,000	**$375,000**	N/A
Total	**$500,000**	**$1,000,000**	**$500,000**	**1.0**

Calculate the actual profit and ROI below

Campaign	Cost	Sales	Profit	ROI
YouTube Video	$240,000	$192,000	**$96,000**	**0.40**
Shopping Display	$282,000	$800,000	**$400,000**	**1.42**
Total	$522,000	$992,000	**$496,000**	**0.95**

Calculate the ROI

The overall ROI of the campaign was positive, it was 0.95. Moreover, it got close to the Target ROI of 1.

The Shopping Display had the higher ROI between the campaigns (1.42 versus 0.40 from Youtube Video).

YouTube ads recommendations

Provide **at least three suggestions** to improve this campaign so that it can achieve its marketing objective and deliver a positive ROI for its brand advertising tactics aimed at audiences who are not yet Spoke customers.
(Answers might include things like: different creative, changes to targeting, A/B testing, measurement updates, and more)

Suggestions:
- **Test Button CTA** variants to increase visits per view;
- **Review audiences** in order to reach more people, but trying to preserve or improve quality (Similar behaviour groups). The audience who came from the Youtube Video had higher Visits per View and Sales per View than the one who came from the Shopping Display.;
- Vehicule the Youtube Video in **new channels** to reach more people, but trying to preserve or improve quality (Similar behaviour groups).

# Part 2

Test & Learn to Make Decisions

Display Remarketing

In order to improve their current strategy of engaging upper funnel audiences with YouTube video ads while converting lower funnel audiences with Google Shopping display ads, Spoke experimented with a multichannel ad strategy of engaging audiences as they journey down the marketing funnel with both video and display ads. Specially, Spoke's experiment tested its hypothesis that showing display ads to audiences who viewed or interacted with the YouTube videos would drive more store visits and improve its ROI.
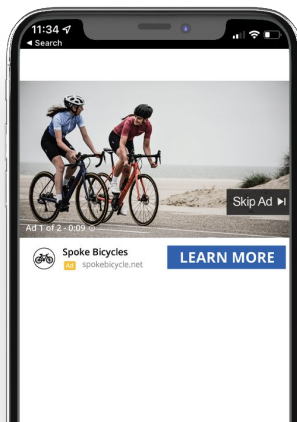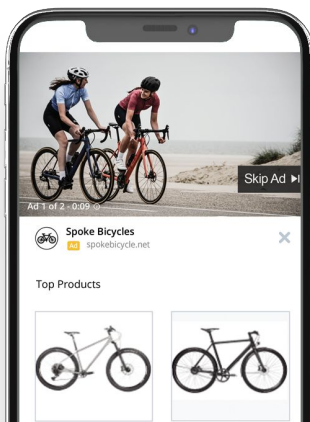
Youtube Ads
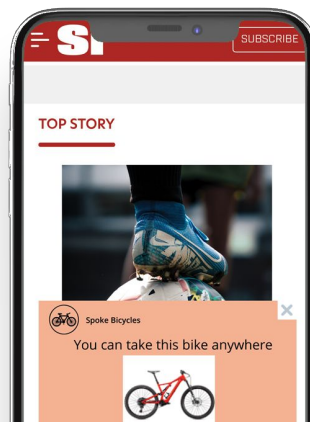
Google Shopping Ads

Display Remarketing: KPI

1. Calculate the CPV and the total values
2. Answer the question below the data

Campaign	Ad Cost	Views	CPV
YouTube Video (Test)	$18,000	450,000	$0.040
Display Remarketing (Test)	$3,000	350,000	$0.009
Total	$21,000	800,000	**$0.026**

Did the test campaign deliver on the target KPI if it was "CPV < $0.033"?

Yes, it did. It got $0.026.

Display Remarketing: ROI

1. Calculate the Sales Profit, ROI and the Total values
2. Answer the question below the data

| Campaign	Ad Cost	Sales	% Margin	Sales Profit	ROI
YouTube Video (Test)	$18,000	$14,400	50%	$7,200	0.40
Display Remarketing (Test)	$3,000	$9,600	50%	$4,800	1.60
Total	$21,000	$24,000	50%	$12,000	0.57

Did the test campaign improve the ROI for its upper funnel ads, if the YouTube Video (Control) ROI was 0.4?

No, it didn't. The ROI remained 0.4.

YouTube Video Shopping

Although capturing the user's attention is important to drive video ad views, Spoke experimented to evaluate whether shoppable videos on YouTube will grow sales (and store visits) while optimizing cost per actions to manage the overall costs for this strategy. The YouTube video shopping test campaign includes optimized targeting, call-to-actions, YouTube channel partnerships, and browsable product imagery alongside the video ads.
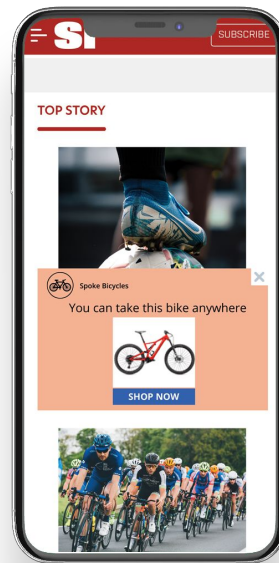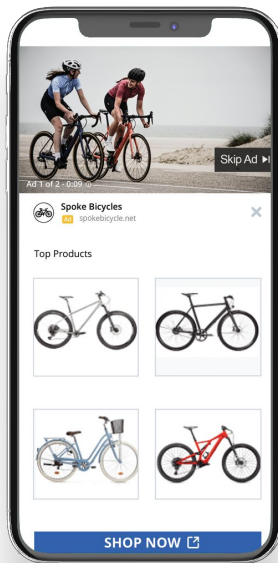
YouTube Video Shopping: KPI

1. Calculate the CPA for each campaign
2. Answer the question below the data

Campaign	Ad Cost	Store Visits	CPA
YouTube Video (Control)	$18,000	576	$31.25
YouTube Video (Test)	$18,000	768	$23.44

Did the test campaign deliver on the target KPI if it was "CPA: < $30.00"?

Yes, it did. The CPA was $23.44. The store visits grew by 33%.

YouTube Video Shopping: ROI

1. Calculate the Sales Profit and the ROI
2. Answer the question below the data

| Campaign	Ad Cost	Sales	% Margin	Sales Profit	ROI
YouTube Video (Control)	$18,000	$14,400	50%	$7,200	0.40
YouTube Video (Test)	$18,000	$19,200	50%	$9,600	0.53

Did the test campaign improve the ROI for its YouTube video ads?

Yes, it did. The ROI was 0.53. The Sales Profit grew by 33%.

Multichannel Strategy

After confirming its hypothesis that an integrated multichannel strategy with shoppable YouTube video ads and display remarketing ads will improve performance, Spoke ran an experiment to evaluate the overall impact of these tactics when running alongside it shopping display ads for in-market audiences.
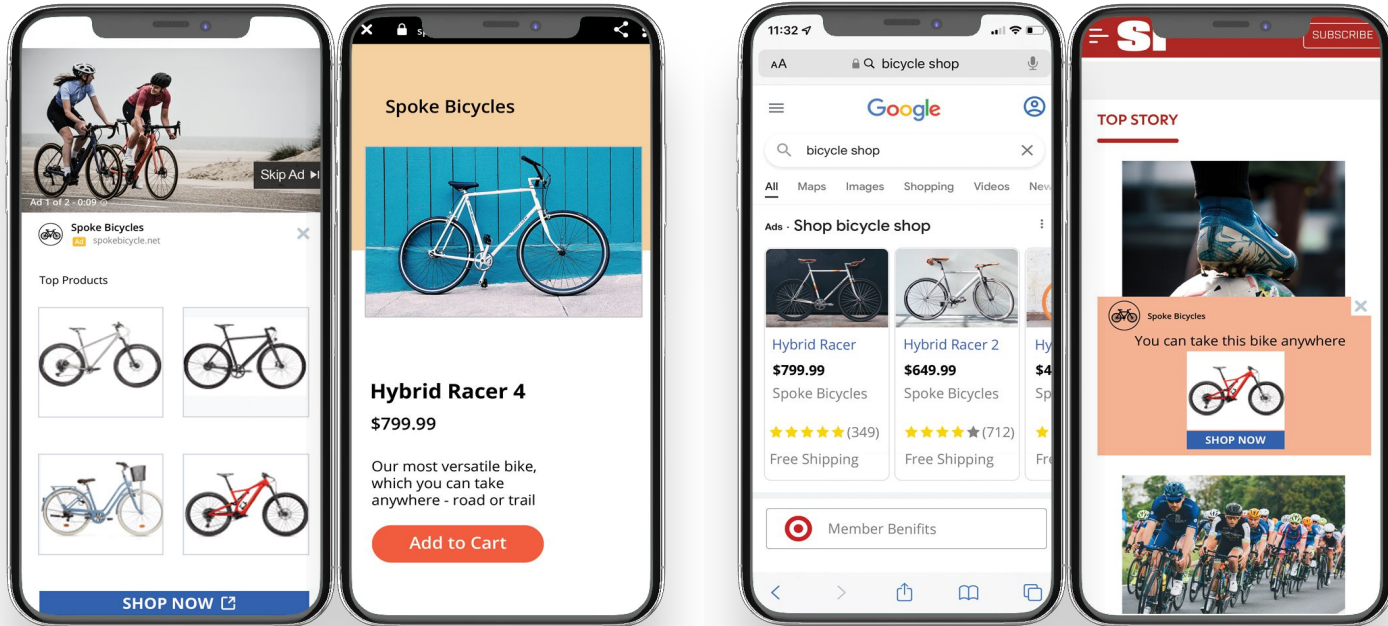
Multichannel Strategy: KPI

1. Calculate the CPA for each campaign and the total values
2. Answer the question below the data

Campaign	Ad Cost	Store Visits	CPA
YouTube Video Shopping	$18,000	768	$23.44
Display Remarketing	$3,000	384	$7.81
Shopping Display	$28,200	3,200	$8.81
Total	$49,200	4,352	$11.31

Did the test campaigns deliver on the target KPI if it was "CPA: < $12.5"?

Yes, they did. The CPA was $11.31. Shopping Display and Display Remarketing offset the high CPA of $23.44 from YouTube Video Shopping with CPAs below $10.

Multichannel Strategy: ROI

1. Calculate the Sales Profit and the ROI for each campaign and the totals
2. Answer the question below the data

Campaign	Ad Cost	Sales	% Margin	Sales Profit	ROI
YouTube Video Shopping	$18,000	$19,200	50%	$9,600	0.53
Display Remarketing	$3,000	$9,600	50%	$4,800	1.60
Shopping Display	$28,200	$80,000	50%	$40,000	1.42
Total	$49,200	$108,800	50%	$54,400	1.11

What was the overall ROI for the campaigns? Was it positive or negative?
The overall ROI was 1.11. It was positive. *Shopping Display and Display Remarketing offset the low ROI of 0.53 from YouTube Video Shopping with ROIs above 1.*

Part 3

Plan a Multichannel Campaign

Set the budget and forecast results

You need to calculate the Store Visits and Ad Costs to know what budget you will need. **To start the calculations, see the campaign brief.**

Audience	CPA	Target Sales	Store Visits	Ad Cost
Lifestyle: Cycling Enthusiasts (+ Not a Customer)	$18.23	$250,000	**10,000**	**$182,300**
In Market: Cycling Products & Accessories	$8.81	$750,000	**30,000**	**$264,300**
Total	$11.17	$1,000,000	**40,000**	**$446,800**

Calculate the target profit, ROI and the budget.

| Campaign	Target Sales	Target Profit	Target ROI	Budget
Multichannel (YouTube Video + Display Remarketing/Shopping)	$1,000,000	**$500,000**	**1.12**	**$446,800**

Inputs to create a campaign in Google Ads

Enter the inputs required to create each campaign in Google Ads below
Enter YouTube, Google Display Network, or Google Shopping for placements.

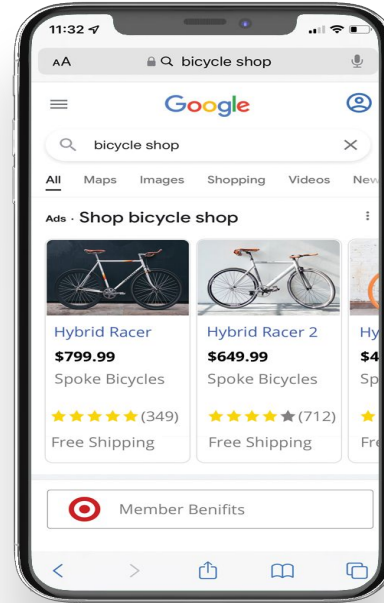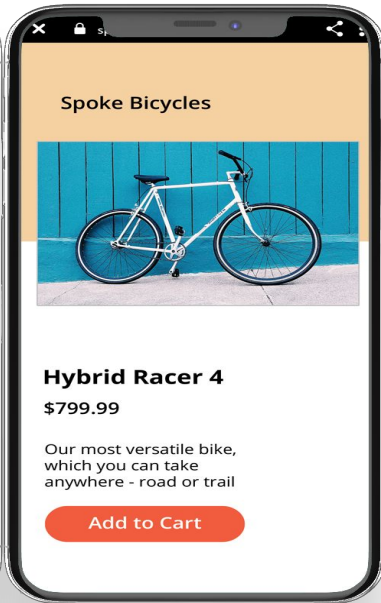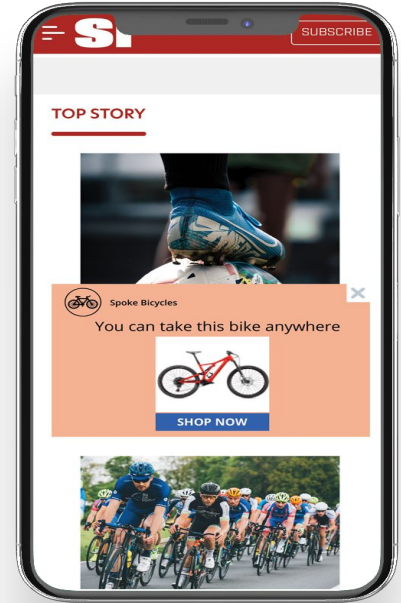| Campaign Input	Multichannel Campaigns		
	YouTube Video Shopping	Display Remarketing	Shopping Display
Campaign Goal (see list)	Sales		
Campaign Type (see list)	Video	Display	Shopping
Budget	$25,000		$37,500
Bid Strategy	CPA	CPA	CPA
Target Bid Value	$15.0		$10.0
Placements	YouTube	Google Display Network	Google Shopping

Featured Ads

Below are the three ads to feature in the multichannel campaign. Each ad features creative elements which you will use as inputs to create the ads on the next page.
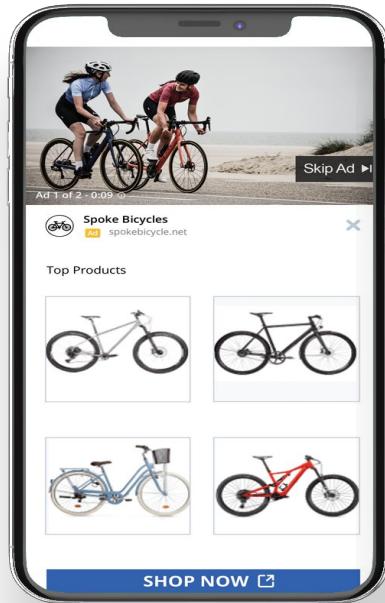
YouTube Video Shopping

Shopping Display

Display Remarketing

Featured Ads

Enter the inputs required to create the ads for each campaign below
Ensure that the inputs match the ads displayed on the previous page

Ad Input	Multichannel Campaigns		
	YouTube Video Shopping	Display Remarketing	Shopping Display
Ad Format	Skippable	Large Leaderboard	Store pickup options
Call to Action	Shop Now/ Add to Cart	Shop Now	N/A
Product Title	Spoke Bicycles	Spoke Bicycles	Spoke Bicycles
Headline	TOP PRODUCTS	TOP PRODUCTS	N/A
Brand Logo (Yes/No)	Yes	Yes	No
Product Image (Yes/No)	Yes	No	Yes

Part 4

Provide Strategic Recommendations

Optimization for further improvement

Imagine you had additional budget, given your campaign evaluation, how would you use it?

- You may use "bullet points" for your analysis and may add as many slides as needed
- The following prompts can help you structure your answer:
  - Would you focus on certain Ad Groups, Ads or Targeting?
  - Would you change any of your existing Ads or Targeting or add any new ones?
  - Would you set up an A/B test, and if so, how would you go about it?
  - Would you make changes to the landing page, and if so, what kind of changes and why?

Write your recommendations/answers in the next two slides.

Optimization for further improvement

- Test:
  - Targeting based on:
    - Purchasing power estimated by geographics;
    - Related gears buyer habits (helmets, cycling suits, etc)
  - Product listing based on price (Cheapest on Top);
  - Practical content (Demo) on Video Ads.

- Setup:
  - Bidding and Budget based on monthly, weekly and daily seasonality.
  - Increase relevance of the images on Display Remarketing
  - Bid based on Product AOV.

- New Formats
  - Branded/Native Content in blogs related to Sports and Technology
  - Large and rich media display ads for brand awareness (Spoke has its relevance decreasing over time in Google Trends)

Design an experiment

Submit the requirements for an experiment to evaluate your recommendations for optimizing your multichannel channel campaigns.

Experiment Inputs	
Objective What is the goal of this experiment?	To understand what listing provides more sales (Rating, Price, N° of Orders, etc).
Hypothesis What do you think the test outcome will be?	Listing based on Historical N° of Orders (descending) provides more sales.
Metrics to Test What parameters do you want to evaluate?	Sales, Conversion, ROI

Design an experiment

Experiment Inputs	
Test Campaign(s) What are the requirements for the test campaign?	Historical transactional data and personalized listing feature.
Control Campaign(s) What is the current state that you will compare?	Current Products listing.
Risks What are the risks of running this test to live audiences?	Sales loss.
Business Impact What is the business value of this proposed test?	Revenue Growth.

Provide inputs for your campaign

Enter the inputs required to create a new campaign **based on your recommendations**
Enter YouTube, Google Display Network, or Google Shopping for placements.

Campaign	
Setting	**Input**
Campaign Goal ([see list](#))	Sales
Campaign Type ([see list](#))	Shopping Display
Budget	$1,000,000
Bid Strategy	CPA
Max Bid	$10
Placements	Google Shopping