

Congratulations! You passed!
Grade received 100%
To pass 80% or higher
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1. Imagine that a business develops a digital marketing campaign to gain new customers. What is the marketing term for this process? 1 / 1 point

- ☒ Customer acquisition
- ☐ Customer journey
- ☐ Performance goal
- ☐ Business goal

✓ Correct
Customer acquisition is the process of gaining new customers. Customer acquisition for an e-commerce store depends on traffic to the site. The more traffic coming to the site, the greater the chance of acquiring new customers.

2. Consider the following scenario: 1 / 1 point

Imagine that a company sets a business goal: They will increase customer acquisition by 25% in six months. Their performance goal is to increase website traffic by 25% in the same time period.
If they meet the performance goal, do they satisfy the business goal?

- ☐ Yes, since the performance goal aligns 1:1 with the business goal.
- ☐ Yes, since the same data demonstrates whether the company meets the performance goal and the business goal.
- ☒ No, since 25% more website traffic does not necessarily mean 25% more customers.
- ☐ No, since the business goal and the performance goal are not closely related.

✓ Correct
More website traffic may support customer acquisition, but not all website visitors are customers. What if new visitors come to the site but leave without taking action? That is a bounce. The business needs an additional performance goal related to the bounce rate.

3. Consider the following scenario: 1 / 1 point

Imagine that a company sets a business goal: They will increase incremental sales by a set amount over a specific time period. To do that, they need to increase their marketing budget.
Which formula should they use to calculate how much additional budget to allocate?

- ☐ Additional budget = total sales / return on ad spend
- ☐ Additional budget = return on ad spend / incremental sales
- ☒ Additional budget = incremental sales / return on ad spend
- ☐ Additional budget = return on ad spend / total sales



Correct

To confirm how much more they need to spend, they divide incremental sales by their return on ad spend (ROAS). For example, if a company wants to increase incremental sales by \$100,000 USD, and their ROAS is 4, they calculate: $100,000 / 4 = 25,000$. They need to spend an additional \$25,000 USD on marketing to drive incremental sales.

4. What is conversion volume?

1 / 1 point



The total number of conversions or total monetary value of conversions over a period of time.



The total revenue generated by marketing activities over a period of time.



The process of gaining new customers.



The sum of individual order amounts divided by the number of orders.



Correct

A conversion happens when a potential customer takes a desired action. To measure conversion volume by the total number of conversions, you could set a performance goal for an individual channel. To measure conversion volume as a monetary value, you assign monetary values to different types of conversions.

5. Which of the following best describes cost per acquisition (CPA)?

1 / 1 point



The advertising campaign's automated bidding strategy.



The average cost paid for each conversion.



The total cost paid for each click.



The ratio of revenue generated to the amount spent on advertising.



Correct

CPA is a cost-related performance goal. Marketers can use comparative data from historical campaigns or industry-average values to help set CPA performance goals. With this information, they can optimize a campaign to achieve a *lower* CPA. This will improve the campaign's value.