



3S Home

PPL Performance Analysis

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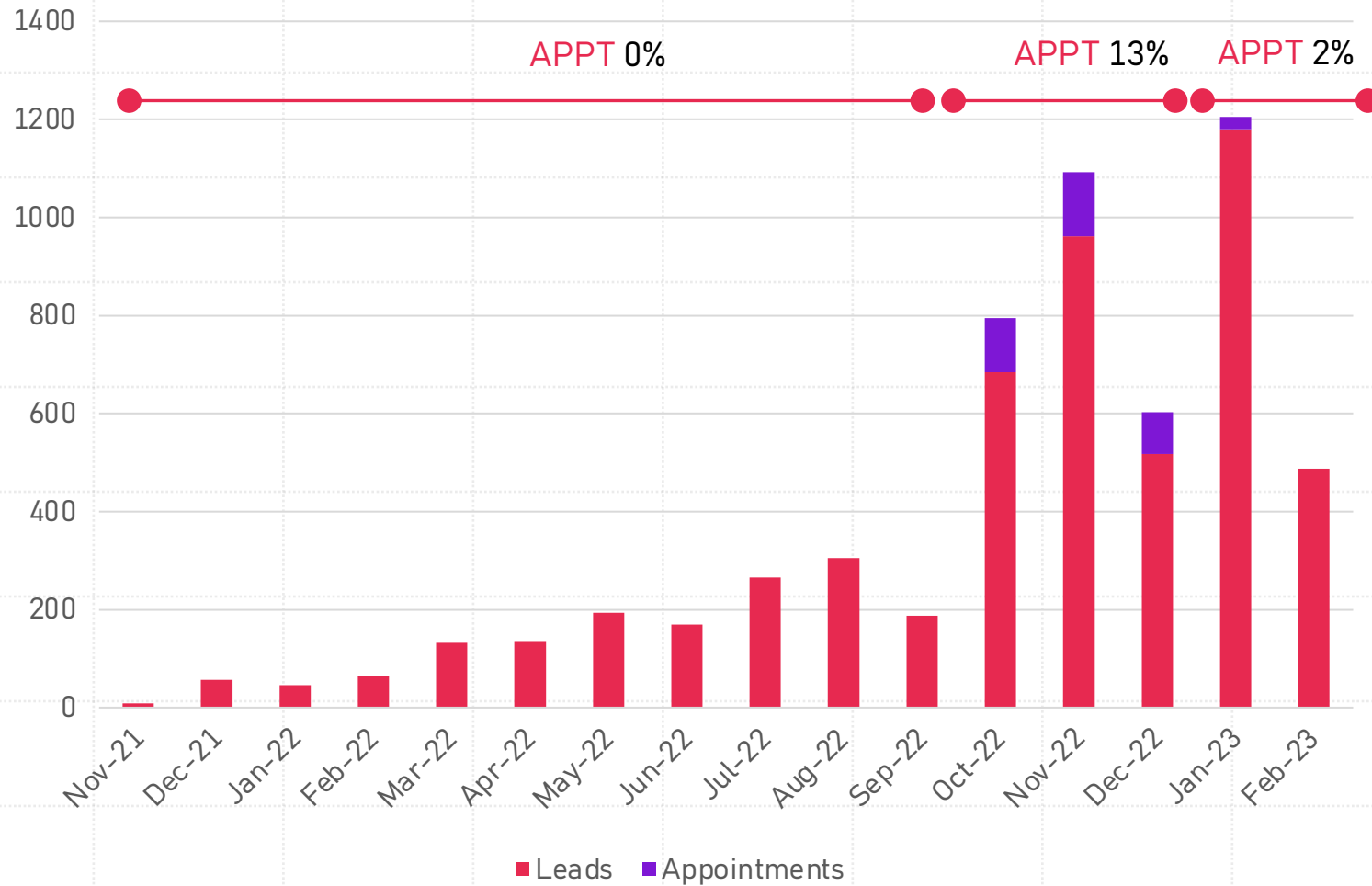
April 2023



Executive Summary

- Because of premium leads resulting in high appointment rates, a **\$90 flat Price Per lead (PPL)** is achievable for this partner
- Further segmentation by **keyword** (local v. generic) results in potential PPL of up to **\$110**, creating an additional **\$30k** in revenue for 3S in 2023
- Results are highly dependent on assumed APT rate; data is heavily skewed towards Q3 so rapid adjustments may be necessary to capture value
- May consider additional editorial content to counteract seasonality and bump APT rate

Flat cost per lead




- Majority of leads and all appointments occur during and after Q3 '22
- Overall appointment (**APPT**) rate (**APPT %**) of 6.1% is skewed by the volume of **APPTs** during Q3 '22
- Seasonality could affect both lead and appointment volume
- Lack of appointment data for Q1 could be a result of data lag from partner for appointment confirmations
- Leads could still be sold under the presumed **APPT %** of 13% in reserve for later seasons or with **additional editorial content promoting Spring/Summer sales**

Flat cost per lead


$$\text{PPL} = 1 \text{ LEAD} \times \text{APPT \%} \times \text{Conversion \%} \times \text{Average Sale (\$)} \times \text{Desired Margin \%}$$

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$$8.4\% \times 39\% \times \$16,928 \times 15\% \approx \$84$$

Average appt rate since Oct '22 Average of March Projections Average of March Projections

& \$115k Revenue for 3S for March

Flat cost per lead

Additional thoughts

- **\$90 PPL** assumes a smooth appointment rate; if we take **APPT %** Q3 '22 of 13% we arrive at a PPL of **~\$150**.
- The **\$90 PPL** allows for more gradual price increase as well as opportunity to collect additional and more precise data from partner(s)
- A breakdown of PPL analysis by project reveals more granular price fluctuations; however, differences do not shift PPL bucket (child leads discontinued)

Additional Pricing Structures

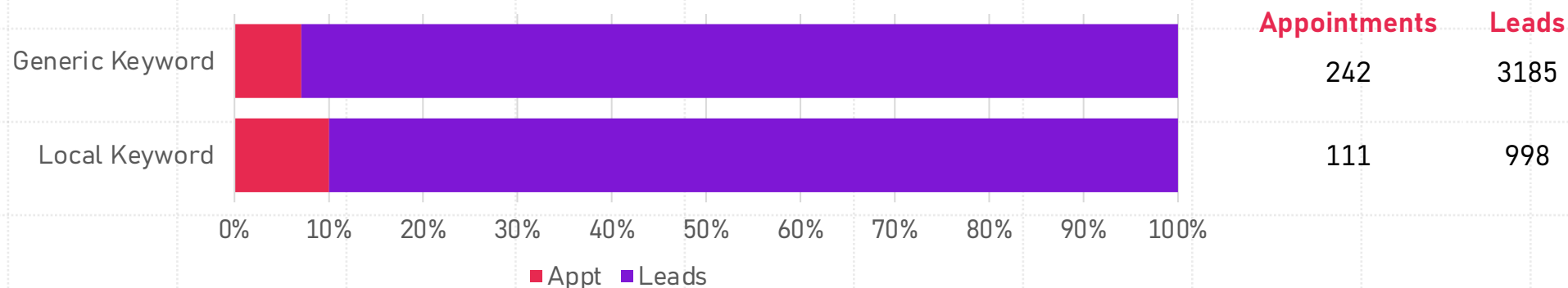
Top ten keywords by **APPT %**, filtered for leads > 10

Keyword	Appointments	Leads	Apt Rate
roofing companies nearby	6	34	17.65%
roofing companies near me	10	59	16.95%
roofers near me	18	123	14.63%
local roofing companies in my area	2	14	14.29%
metal roof installation in	3	22	13.64%
local roofing companies	16	131	12.21%
roofers in	30	255	11.76%
shingle roof installation	6	54	11.11%
home roofing	11	117	9.40%
roofers near	34	371	9.16%

- Keywords with a **local** focus have higher appointment rates
- Customers who are looking to make a purchase are likely researching contractors vs. general research (location indifferent)
- By adding a **LOCAL** flag we can further segment for quality

Additional Pricing Structures

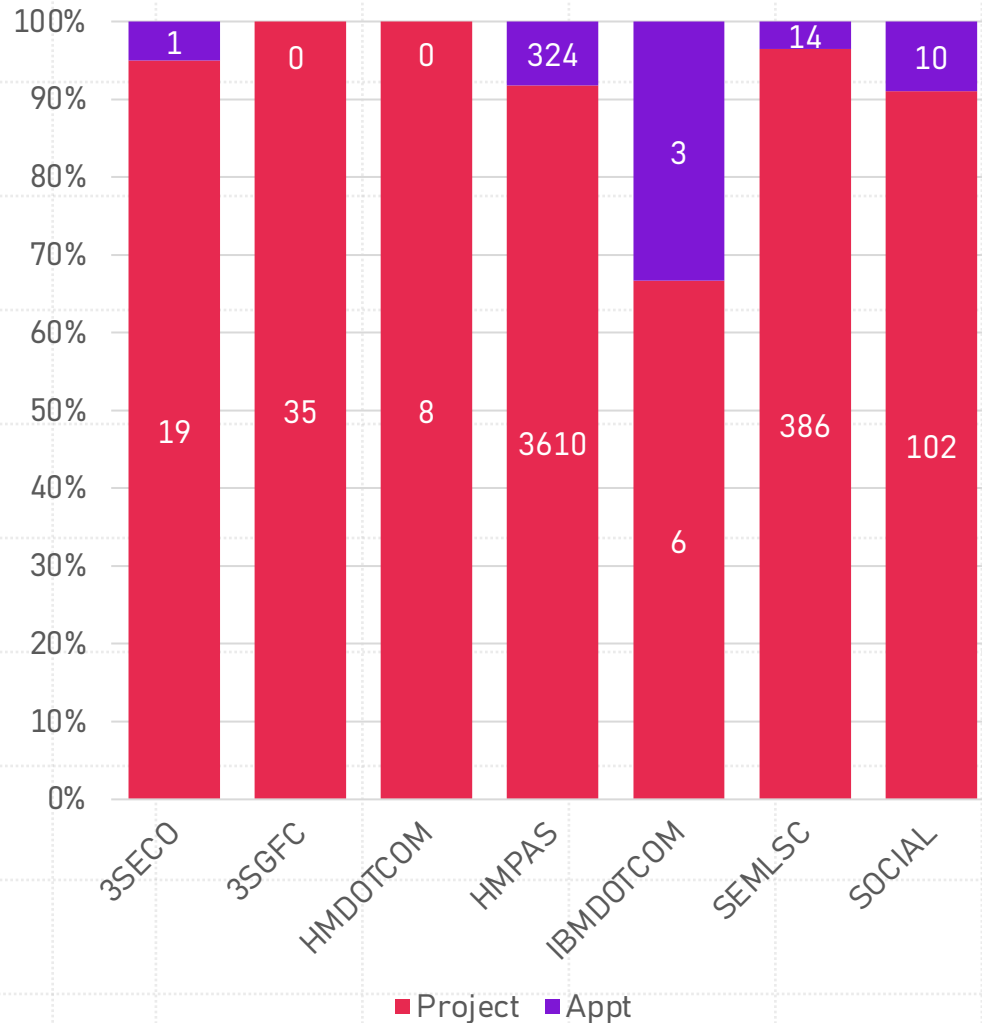
Appointment rate for local vs. generic keywords



- Local keywords have an **11%** appointment rate in Q3 '22/Q4 '23 vs. an **8%** appointment rate for generic keywords, resulting in a potential PPL of **\$110** for local keywords vs. **\$80** for generic keywords
- Pricing based on this split, assuming a mix of volume, would result in **\$118k** in revenue for 3S in March

Additional Pricing Structures

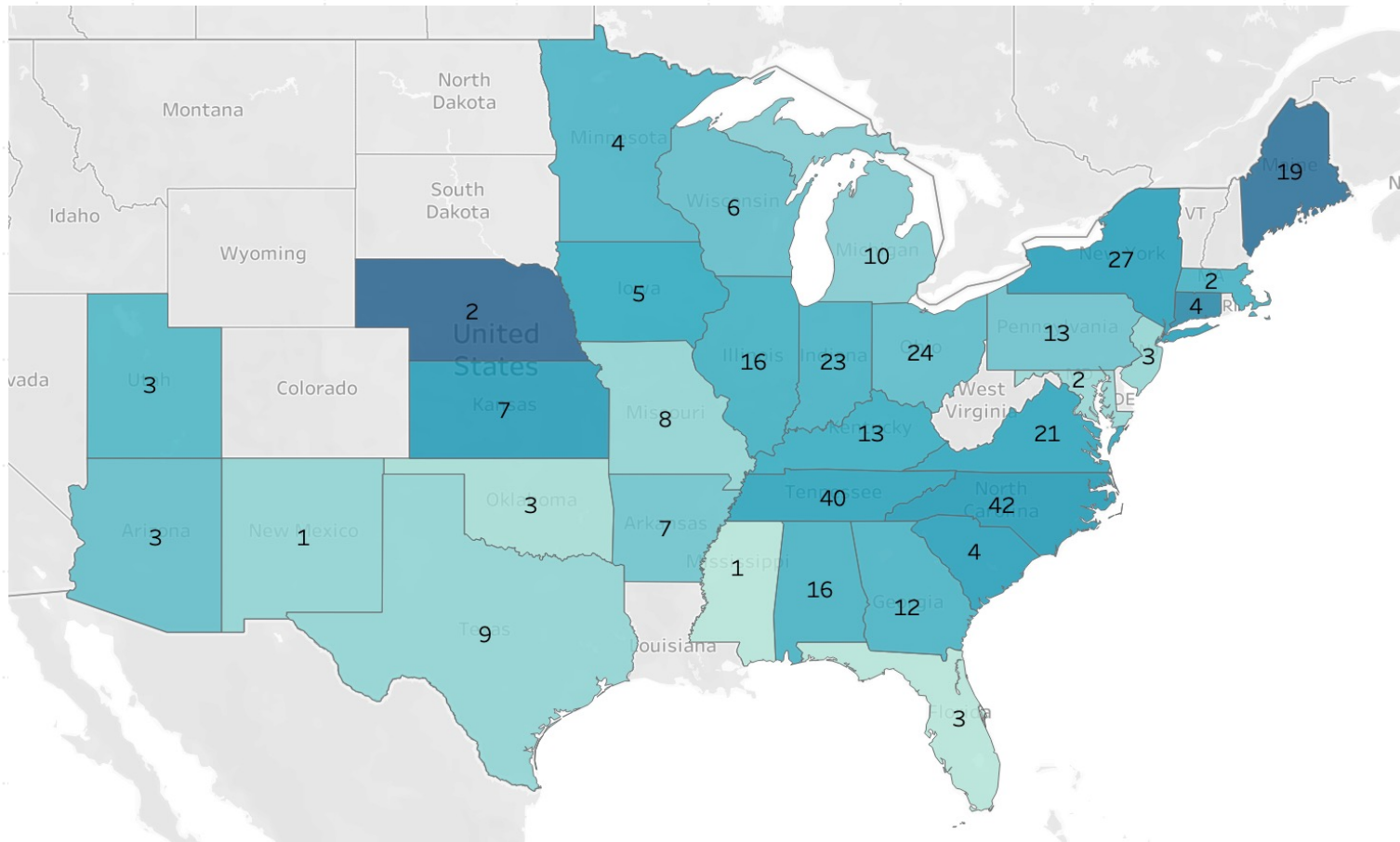
Leads and Appts by Channel



- Appointment rate varies substantially by channel, although low volume channels may require more data
- Opportunity to invest in higher performing channels (**SOCIAL**, **IBMDOTCOM**) while discontinuing lower performing channels (**3SGFC**)
- Opportunity to increase **APPT %** in higher volume channels (**HMPAS**)
- Organic searches generally perform better than paid search

Additional Pricing Structures

Total Leads per State shaded by APPT %



- Although **APPT %** is relatively consistent by geography, opportunity exists to invest in higher demand states (NC, ME)
- No west coast offerings; partner should investigate geographical expansion through partnership or acquisition
- Partner should investigate expanding into higher population states (TX, CA, FL) or else focus more heavily on available geography

Additional Pricing Structures



High Quality

Fall

Regional Keyword

IBMDOTCOM, SOCIAL, HMPAS

Organic

Low Quality

Spring, Summer, Winter

Generic Keyword

3SGFC

Match (paid)

Next Steps

- Work with partner to acquire more precise and timely data to monitor appointment rates and adjust model accordingly
- Build new pricing engine to distinguish between high-quality and low-quality leads and adjust pricing mechanisms dynamically
- Work with editorial to create new content to counteract seasonality and encourage off-season purchases
- Analysis by project; continue to parse differences and integrate into pricing model
- Investing in higher performing SEO to capture higher quality organic traffic
- Explore geographic and channel adjustments to promote higher appointment rates
- Consider expansion into commercial and industrial spaces