Key Metrics

There are multiple metrics that can be considered to assess the campaign performance. These metrics can be categorized under different umbrellas. These metrics have correlation with one another.

The first umbrella is the customer awareness about the product and ad. Metrics such as **impressions** and **reach** help analyze if the customers are getting informed about the product and the cost per mille is also dependent on it. This helps us identify different demographic requirements for better reach. It can help us target a segment of audience where impressions can be uplifted. It can also help identify the segments where more effort is required.

Secondly, the next umbrella to engaging customers and allowing them to explore the services, watch ads and determine if they want to make a purchase. Metrics such as **click through rate** and **thumbnail effectiveness** can help determine the percentage of customers landing on the page. Higher these metrics, better the ability of the ad is to attract the customers and encouraging them to open the link. Lower score means the ad or thumbnail is not very effective and it's not attracting customers.

Third umbrella consists of KPIs which related to **conversion rates.** Once the customer has landed on the page and is given opportunity to explore the services or watch a video, **result conversion rate** tells us the percentage of customers who performed a desired action which could mean purchasing, subscribing or anything which can induce revenue. This is the most important KPI since revenue is the most vital gain that a business wants. If we have a good impression score and a good click through rate but a poor conversion of customer to generate revenue, then the cost per customer acquired, cost per link click or cost per result/purchase will all be very poor. If our conversion rate is poor, our major work involves in identifying the root cause and then working to improve that problem. We have to improve product quality of our service lacks quality. We can also do a segmented approach and identify what groups of people is the conversion rate poor for.

This brings to the 4th umbrella which revolves around revenue and profit. **ROAS** is one of the end to end metric to give us an overview of campaign performance. ROAS is the revenue generated from purchase divided by total spending on the ad. Higher value would mean the ad is generating a high profit. ROAS of greater than 1 would suggest a positive sign while a value less than 1 would suggest a negative sign. However, ROAS only provides a general overview. In order to understand which segment the problem is arising from, we would need to consider **CPM, CPC, CPR, cost per purchase etc.**

Campaign Recommendations:

A general sense dictates that the higher ROAS value should be the most successful campaign so let's have a look.

Campaign name	ROAS
FB-Paid_Hot_Promo_Conversions_7DC	12.6910887
FB-Paid_Hot_Conversions_BAU_7DC	11.91750344
FB-Paid_Cold_Advantage+Shopping_Conversions_No-Shops_PROMO_INC	9.813722013
FB-Paid_Warm_Promo_Conversions_INC	8.039685905
FB-Paid_Warm_Acquisition_Conversions_INC	6.851212647
FB-Paid_Cold_Promo_Conversions_Baby_INC	3.630035422
FB-Paid_Cold_Awareness-No-Engagers_Conversions_Baby_INC	2.452889327
FB-Paid_Cold_Awareness_Conversions_CBO_Kids-Mattress_INC	0.762127721
FB-Paid_Cold_Promo_Conversions_Kids_INC	0.719492526
FB-Paid_Cold_Awareness-No-Engagers_Conversions_CBO_PregnancyPillow_INC	0

Figure 1

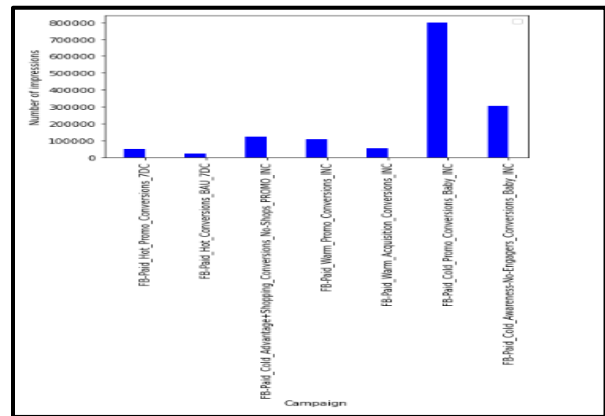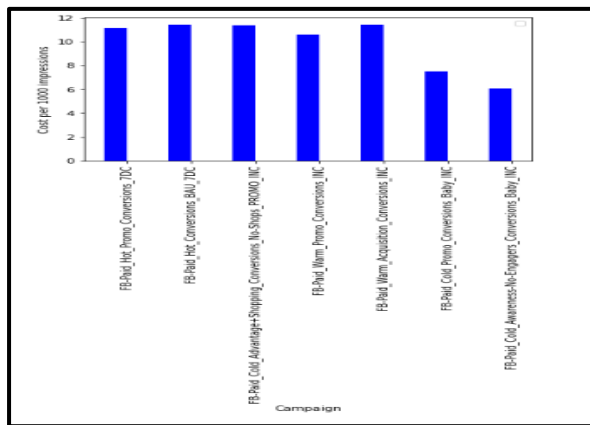Figure 1 shows *"FB-Paid_Hot_Promo_Conversions_7DC"* and *"FB-Paid_Hot_Conversions_BAU_7DC"* have the highest ROAS. The last 3 campaigns have ROAS less than 1 which shows that the revenue generated by these campaigns is less than the total spending.

Let's deep dive into the top 7 campaigns:

Impressions:

Figure 2   *Figure 3*

It is evident form figure 2 and 3 that *"FB-Paid_Cold_Promo_Conversions_Baby_INC"* have the highest number of impressions and lowest cost per impression.

Clicks:

Figure 5

Figure 4

Click Through Rate

Cost per link click
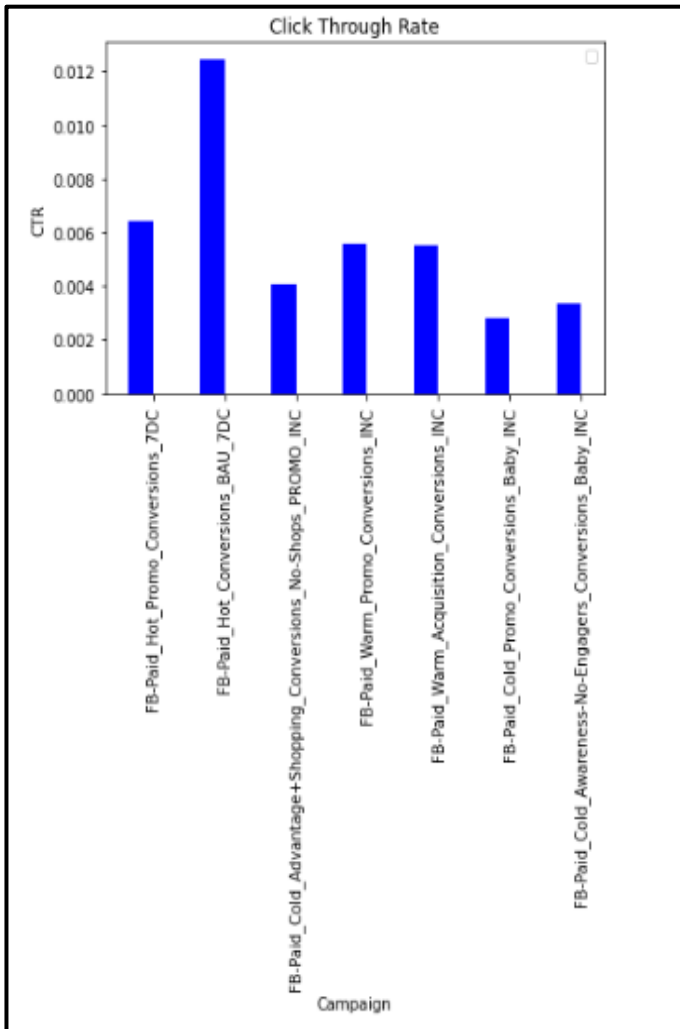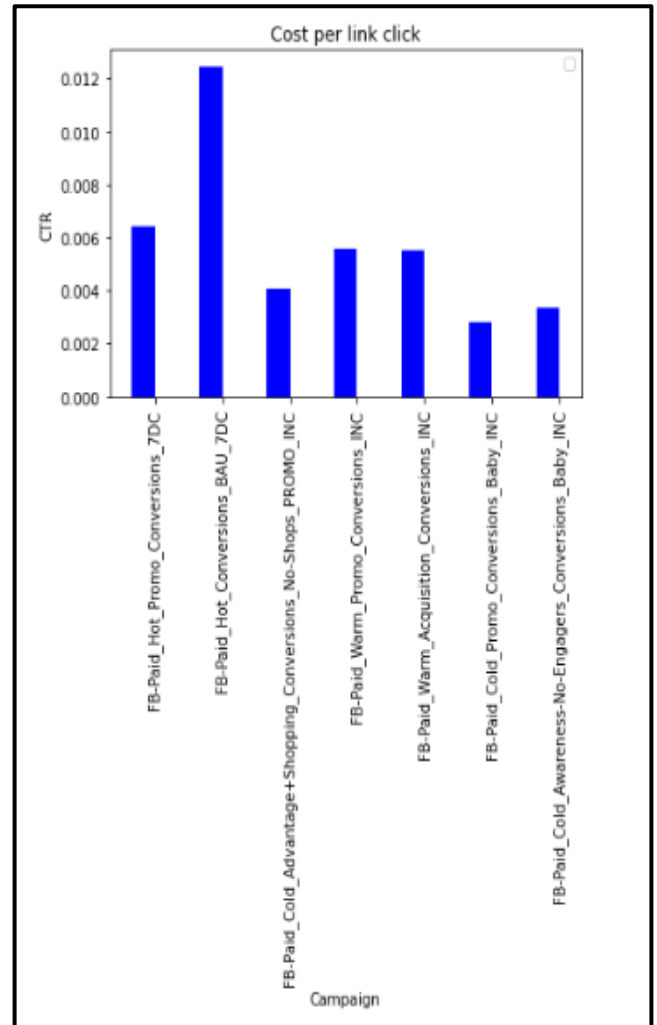
Figure 4 and 5 show that the same campaign have a low click through rate and a low cost per link click. This is because of their massive impressions. The absolute number of clicks will still be very high.
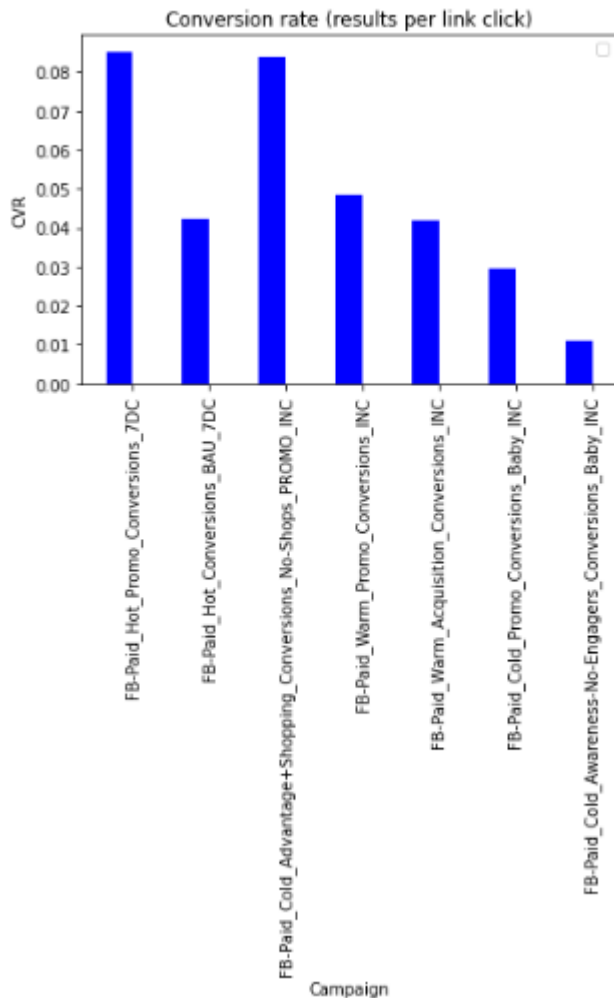
Conversion rate and AOV:
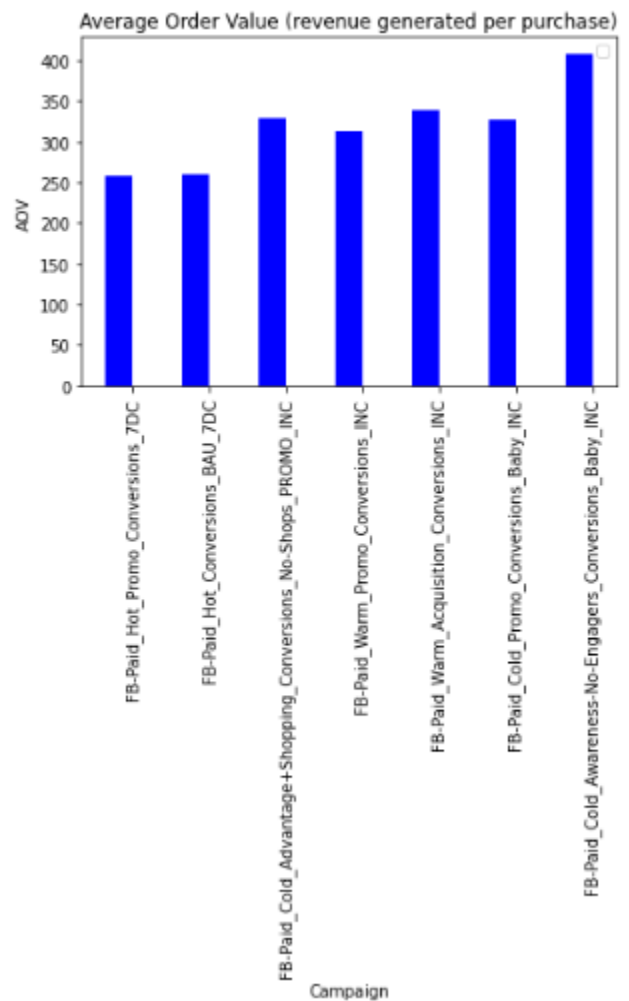
Figure 6 (CVR)   *Figure 7 (AOV)*

Conversion rate (results per link click)

Average Order Value (revenue generated per purchase)

Figure 6 shows the highest CVR (results per links clicked) belongs to

"FB-Paid_Hot_Promo_Conversions_7DC" and *"FB-Paid_Cold_Advantage+Shopping_Conversions_No-Shops_PROMO_INC"* and highest AOV (figure 7) belongs to and *"FB-Paid_Cold_Awareness-No-Engagers_Conversions_Baby_INC".* Despite having a low CVR, it has the highest AOV. This is because of very less click through rate. However, while it may seem that the CTR is less, the absolute click through numbers will be high due to high impressions.

It is worth noting that ROAS doesn't necessarily translate to more profit. For example, cost of $5 and revenue of $10 give ROAS of 2 and profit $5. On the other hand, cost of $20 and revenue of $30 give ROAS of 1.5 but a profit of $10. Having said that, let's compare the profit of top tier campaigns.

Campaign name	profit
FB-Paid_Cold_Promo_Conversions_Baby_INC	15867.03
FB-Paid_Cold_Advantage+Shopping_Conversions_No-Shops_PROMO_INC	12423.47
FB-Paid_Warm_Promo_Conversions_INC	7969.91
FB-Paid_Hot_Promo_Conversions_7DC	6189.73
FB-Paid_Warm_Acquisition_Conversions_INC	3471.7
FB-Paid_Cold_Awareness-No-Engagers_Conversions_Baby_INC	2665.34
FB-Paid_Hot_Conversions_BAU_7DC	2620.31

Figure 8

It is quite clear from the above table that despite having a lower ROAS, lower click through rate and higher cost per clicks, "*FB-Paid_Cold_Promo_Conversions_Baby_INC*" is providing the most profit.

I would choose **FB-Paid_Cold_Promo_Conversions_Baby_INC** as the first campaign to continue because of the high profit it generates and a very high AOV. Conversion rate is less but it is due to lower click through rate which also gives lower cost per clicks. It also has the highest number of impressions.

Second campaign to keep continuing would be **FB-Paid_Cold_Advantage+Shopping_Conversions_No-Shops_PROMO_INC.** Not only does it provide the second highest profit but number of impressions are decent given other campaigns, cost per click is quite low and conversion rate is extremely good and AOR is the third highest.

Campaign to discontinue would be **FB-Paid_Cold_Promo_Conversions_Kids_INC** and **FB-Paid_Cold_Awareness-No-Engagers_Conversions_CBO_PregnancyPillow_INC** simply because their ROAS was less than 1 which means their cost was more than their generated revenue.

Budget Allocation:

In terms of budget, I believe allocating it to the last two campaign based on ROAS will not be a suitable option since they may require a lot of improvements end to end which can consume a lot of cost. It is better to invest the profit gained from the top 2 campaigns to the one which has potential. Some of it can be used to improve the click through rate of **Baby_Inc** campaigns since

they have potential to bring a lot of revenue. They have good impression rate and despite a poor CTR, they have good profit margin. Remaining of the budget should be used to improve the impressions of other campaigns. A deep dive is necessary to identify different segments of audience and how to create awareness of the service/ad.

Best Ad Recommendation:

According to the data, out of **180** unique ads, **144** produced **0** results so those ads should be removed from best recommendation out of question.

no of unique ads	results
144	0
11	1
6	2
3	3
3	6
3	5
2	7
1	15
1	23
1	12
1	4
1	9
1	27
1	19
1	11

Figure 9

From the remaining **36** ads, I would want to choose the ad which has a high ROAS and at the same time, a high purchase value (generated revenue from purchase). But a high ROAS can also be achieved with just 1 result by the ad. So put a cap of at least 10 results produced by the ad which leaves with **6** ads..

As shown in the figure below, I believe JanPromo_20OFF_Crib-Mattress_Dad-Breathing_VID_CA – Copy is the best ad to recommend due to several reasons.

1. It has a good profit margin.
2. Thumbnail effectiveness, hook rate and stop rate is better than the rest which means potential customers are interested in watching the ad.
3. The ROAS is quite high with high purchase conversion value which means cost required for the ad is quite low.
4. This ad belongs to one of the best campaigns as well.

Ad name	results	purchase_conversion_value	thumbnail_effectiveness	hook_rate	stop_rate	roas	profit
JanPromo_20OFF_Crib-Mattress_Stacked-Mattresses_IMG_CA	27	10580.51	0		0	5.463051313	8643.77
JanPromo_20OFF_Bassinet_Studio-Front_IMG_CA	23	7265.06	0		0	5.150588786	5854.53
JanPromo_20OFF_Crib-Mattress_Dad-Breathing_VID_CA - Copy	12	4526.78	79.62	21.2	16.88	38.88986254	4410.38
JanPromo_20OFF_Product-Mix_Product-Suite_VID_CA	19	4505.38	76.85	20.54666667	15.72666667	5.67213899	3711.08
JanPromo_20OFF_Bassinet_Studio-Angle_IMG_CA	15	3761.72	0.43	10.31	0.043333333	2.62697282	2329.76
JanPromo_20OFF_ProductMix_Y-MSA_Screaming_VID	11	2943.05	82.73	28.3125	23.485	8.571823848	2599.71

Figure 10

Lead Integration & Segmentation in HubSpot:

HubSpot is a CRM tool which helps organize potential customers and leads into the system and aids the business in tracking their profile and understanding their needs. We can organize the leads based on segments of the leads (i.e. demographics, type of lead, their behavior etc). HubSpot can be directly integrated with multiple platforms and if a lead visits the landing page, their information gets saved to HubSpot directly and based on the information they provided, they will be classified to the relevant segment. A CSV file can also be manually imported with lead information and the attributes can be mapped according to the field in HubSpot.

Segmentation of these leads can be done based on several attributes as well. First and foremost, the source from which the leads came is the most basic way of categorizing the leads. They can also be segmented based on demographics such as age, location etc so they can be targeted accordingly. Customer's historical data provides their past behavior and can lead to a lot of information about the customer's interests. Customers who have shown more engagement such as high click through rate, more time spend on the landing page, watched the ad (high hook up rate and lower stop rate) can be classified into a different segment and can be targeted to improve the conversion rate. A different strategy can be applied to customer's low engagement (those who have seen the impression but haven't clicked or were active before but not anymore). Different segments allows to plan different strategies to cater diverse set of customers and improve KPIs. The funneling involves different levels of customers. The first stage is of customers who have minimum activity and the goal is to create more reach and awareness among all types of customers. Second stage is of customers who have shown interest and are potential leads. Goal is to convert them into a customer and capitalize of the opportunity. The third stage are existing customers and the goal is to retain them and avoid churn. This can involve incentive programs and discount offerings to loyal customers.

In conclusion, segmentation allows to create tailored plans for different segments of customers of different engagement and interactions. More segmentation offers a narrow pool and a more custom based plans and strategy for the customers and higher chances of interaction, retention and purchase.