ROAS IS KILLING YOUR GROWTH

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I hit rock bottom
CFO’s Love ROAS
All agencies want to drive growth…

“We help our clients achieve exponential growth through data-driven strategies”

“Our goal is to drive growth and revenue for your business through customised digital marketing solutions”

“We specialise in growth marketing strategies”

“The growth experts”
Exceptional Digital Marketing
Driving
Extraordinary Business Growth
First, we need to understand how search has evolved....
This is what Google looked like…

![Google search results for dresses](image-url)
This is what it looks like now…
Paid search has matured...
Google search volume grows by an average of 10-15% per year....???
Ad Supported Platform Growth

User Adoption

Advertiser Adoption

Time >
Competition increases…
And this is in line with wider industry trends

Source: Tinuiti
Looking at the Wolfgang Data Set …

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>CPC Vs 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search</td>
<td>+20%</td>
</tr>
<tr>
<td>Shopping</td>
<td>+38%</td>
</tr>
</tbody>
</table>
How does this impact ROAS?
CFO’s Love ROAS
ROAS = Revenue / Investment

Revenue = ROAS \times Investment
We’re actually talking about Target ROAS - SMART Bidding
Google’s Machine Learning then assesses the size of the audience likely to make a purchases and focuses in on the portion of that audience most likely to deliver on the target ROAS.
ROAS limits that we set, determine how much of the iceberg we can capture.
Potential Audience Size & Budget Required

ROAS
Competition increases…
Simply targeting the same ROAS YoY can stifle growth...
Goodhart’s Law

When a measure becomes a target, it ceases to be a good measure

Effectiveness = Efficiency + Growth
Extending our view of performance …

Timeframe:
- Monthly
- Qtrly
- Bi-Annually / Annually

Efficiency:
- ROAS

New Customer Acquisition
- Brand Searches
- Share of Search

Growth:
- MMM Qualitative Research
- Business Growth
Case Study

‘Best Local Campaign (PPC) (Large)’

‘Most Innovative Campaign - PPC (Large)’
2019 +152%

2021 +179%

ROAS above 12
From Efficiency to Growth!

Grow business by $15\%$ YoY in 2022
Online to drive $>20\%$

#1
Relaxed ROAS target to 7

#2
Win market share off Ireland's biggest sports retailer
Lifestyle Sports were go-to sports brand in Ireland (58% share of search)
From Efficiency to Growth.

Grow business by **+15% Y-o-Y in 2022**
Online to drive **>20%**

**#1**
Relaxed ROAS target to 7

**#2**
Win market share off Ireland's biggest sports retailer

**#3**
New customer growth
18-24 online revenue contribution >10%
TikTok was where this audience were.
But Tik Tok had the lowest last-click ROAS.
TikTok’s impact on branded search
Share of search grew to 55%
Grow business by **+15% YoY** in 2022 (**+18% achieved**)  
Online to drive **>20%** (**>25% achieved**)
Extending our view of performance

### Efficiency
- **ROAS**: Relaxed to 7
- **New Customer Acquisition**: 18 - 24
  - 12% revenue contribution

### Growth
- **Brand Searches**: +37% YoY
- **Share of Search**: From 42% to 55%
- **Business Growth**: +18% YoY

### Timeframe
- Monthly
- Quarterly
- Bi-Annually / Annually
Case Study
Profits were in decline early 2022
Q4 2022 Objectives

#1
Grow profit by 15% YoY

#2
Maintain new customer growth
From Efficiency…. To Growth…. 
This was scary for the client…
Focused on UGC and trending Reels to build the brand.

Our social audience conversion rate was nearly triple the search average!
Extending our view of performance

Timeframe
- Monthly
- Qtrly
- Bi-Annually / Annually

Efficiency
- ROAS: Relaxed to 3
- New Customer Acquisition: 90% sales from new customers

Growth
- Brand Searches: N/A
- Share of Search: N/A
- Business Growth: +23% YoY (34% less spend)

Business Growth
+23% YoY
(34% less spend)
How can we take these learnings into 2023?
Resist short-termism!

Over the last three years, would you agree with these statements?

- Leaders: 51%
- Mainstream: 65%

Emphasis on immediate needs at the cost of longer-term planning.

Source: E-consultancy Digital Trends Report 2023
Report on growth metrics

**Timeframe**
- Monthly
- Qtrly
- Bi-Annually / Annually

**Efficiency**
- ROAS

**Growth**
- New Customer Acquisition
- Brand Searches
- Share of Search
- MMM
- Qualitative Research
- Business Growth
CFO’s Love ROAS
You!
THANK YOU!

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BRENDAN & BETH