



SMARTCOOKIE MEDIA

Guide to Marketing ROI:

ESTIMATING YOUR RETURN

Finding the potential return on investment (ROI) for new marketing initiatives, especially for clients unfamiliar with the robust tracking options, comes down to three things: key performance indicators (KPIs), software to track, and a sound strategy.

Here's our suggested approach:

1. OBJECTIVE:

As a team, clearly define your marketing goals and objectives. For example, increasing brand awareness, lead generation, or product sales.

Review your current marketing initiatives, determine if they can reach those goals and objectives?

2. INVESTMENT BREAKDOWN:

Example projects you might be considering:

Content Marketing:

Content Creation
SEO Optimization
Social Media Distribution

Paid Advertising:

Ad Spend (Google Ads, Social Media Ads)
Creative Production
Campaign Management

Total Investment: \$XXX,XXX

3. EXPECTED OUTCOMES:

Key Performance Indicators (KPIs):

Website Traffic Increase



Lead Generation (website form submissions, lead magnet sign-ups)
Conversion Rates
Sales Revenue

4. TYPICAL TIMELINE:

Short-Term (1-3 months):

Initial brand exposure
Early lead generation and increase in sales from existing clients

Medium-Term (4-6 months):

Increased website traffic
Improved lead nurturing

Long-Term (12+ months):

Sustainable brand presence
Consistent lead generation and conversion

5. PAYBACK PERIOD:

The timeline of when the average client can expect to see a positive return on their investment, varies on seasonality, current trends, and competition – but most see a positive return between 6-12+ months. Paid ads may accelerate your return.

6. COMPARISON to Capital Equipment:

We like to compare marketing to an investment in capital equipment.

- 1) Like any investment in a machine, marketing investments take time to generate significant returns.
- 2) A sound marketing strategy will compound benefits over time, just like the consistent production from a reliable piece of equipment.
- 3) However, unlike the machine, we can't ask the IRS to depreciate marketing strategies. Smile.



7. TRACKING AND REPORTING:

- 1) INCLUDED: We hold monthly advisory calls to discuss results and make adjustments if necessary.
- 2) ADD-ON: We can provide a custom, integrated dashboard on leading and lag metrics that matter most to you and to your campaigns. We can review your current software and reporting options to see if this is a fit.

8. RISKS AND CONTINGENCY:

With all the data available today, we don't have to guess. We just have to be listening.

Our founder and principal media buyer for SmartCookie Media holds her Masters in Business Administration and 19+ years of sales and marketing experience, in addition to her various training and certifications in CRM reporting, Dashboard Design, Google Ads, Hubspot University, and Conversion Optimization.

While her depth of experiences across industries help mitigate much of the risk for our clients, she also uses real-time metrics (i.e. market feedback via their clicks and actions on your site or social media platform) to determine if our clients will need supplemental, contingency plans to meet their goals.



Positive: Professionalism, Quality, Responsiveness, Value

Nicole is like the magic 8 ball that you shake... she has ALL the digital marketing answers! I've been working with her for over a year now and she never ceases to impress me with her knowledge and ideas. She is a digital marketing guru. I consider her a critical part of my business and highly recommend her to anyone looking to level up their digital marketing game.



Working with Nicole and SmartCookie was a game changer for my business! She helped get my facebook advertising campaigns up and running and I saw results immediately...so much so, I had to hire someone to help manage the growth! I highly recommend SmartCookie for any entrepreneur who is ready scale up their business. But you better be ready..Nicole's approach gets results!

9. BENCHMARKS, ROI FORMULA, and CASE STUDIES:

Benchmarks

A good marketing ROI benchmark will differ for each business, depending on growth goals and profit margins. However, generally, a marketing ROI above 2 is considered acceptable, and above 5 is considered excellent.

One of the most commonly used formulas to calculate marketing ROI is:

Increased Sales – Marketing Spend / Marketing Spend = Marketing ROI

For example: $\$50,000 - \$10,000 / \$10,000 = 4$

Depending on your preference, you can also express the marketing ROI as a percentage by multiplying by 100. The marketing return on investment would then be 400% (as we do in the case studies below.)

Case Studies



Check out this ROI for a recent SmartCookie client (screenshot totals on next page):

\$9,414.95 was spent for a return of ~\$200,000. That's a 2024% ROI!

They put in \$1 and got \$20 back.

Let me say that one more way, they put in \$9414.95 and got back \$190,585.05!

| Off / On | Ad | Results ↓ | Amount spent | Impressions | CPM (cost per 1,000 impressions) | Link clicks | Clicks (all) | CPC (cost per link click) | CTR (link click-through rate) | CTR (all) | |
|-------------------------------------|-------------------------------------|-------------------|-------------------|-------------|----------------------------------|-----------------------|--------------|---------------------------|-------------------------------|-----------------|-----------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 183 | \$2,527.18 | 110,409 | \$22.89 | 1,408 | 8,506 | \$1.79 | 1.28% | 7.70% |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 113 | \$973.01 | 33,318 | \$29.20 | 940 | 4,643 | \$1.04 | 2.82% | 13.94% |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 106 | \$906.09 | 38,892 | \$23.30 | 470 | 2,783 | \$1.93 | 1.21% | 7.16% |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 106 | \$2,715.72 | 101,863 | \$26.66 | 718 | 1,827 | \$3.78 | 0.70% | 1.79% |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 90 | \$1,816.69 | 57,983 | \$31.33 | 1,391 | 4,225 | \$1.31 | 2.40% | 7.29% |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 42 | \$476.26 | 24,290 | \$19.61 | 383 | 2,636 | \$1.24 | 1.58% | 10.85% |
| Results from 19 ads | | | 640 | \$9,414.95 | 366,755 | \$25.67 | 5,310 | 24,620 | \$1.77 | 1.45% | 6.71% |
| | | | On-Facebook Leads | Total Spent | Total | Per 1,000 Impressions | Total | Total | Per Action | Per Impressions | Per Impressions |

Here's another example (screenshot below), in this case we were generating leads a client who has an average ticket that varies from: \$1000 - \$10,000+.

We spent \$15,100.35 and generated 1053 leads! The cost was just \$14.34/lead.

This wasn't just a name, email and phone. No, it was an application with lead scoring questions that resulted in a system to score and qualify buyers. So while that per lead cost may seem high to some industries, this small team earned a profit of \$384,899!

And the best part? Since those leads are qualified buyers, this team continues to convert many of those leads in an automated email nurturing campaign. Her profit continues to grow.

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|--------------------------|-------------------------------------|-------------------|------------------|-------------|----------------------------------|-----------------------|--------------|---------------------------|-------------------------------|-----------------|-----------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 367 | \$6,026.68 | 260,858 | \$23.10 | 2,866 | 16,086 | \$2.10 | 1.10% | \$0.37 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 177 | \$1,737.18 | 65,079 | \$26.69 | 792 | 4,450 | \$2.19 | 1.22% | \$0.39 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 174 | \$3,474.86 | 94,029 | \$36.96 | 2,065 | 6,453 | \$1.68 | 2.20% | \$0.54 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 153 | \$1,586.70 | 68,376 | \$23.21 | 1,196 | 7,392 | \$1.33 | 1.75% | \$0.21 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 129 | \$1,156.09 | 39,899 | \$28.98 | 1,059 | 5,229 | \$1.09 | 2.65% | \$0.22 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | On-Facebook Leads | 53 | \$1,118.84 | 39,912 | \$28.03 | 272 | 1,635 | \$4.11 | 0.68% | \$0.68 |
| Results from 41 ads | | | 1053 | \$15,100.35 | 568,153 | \$26.58 | 8,250 | 41,245 | \$1.83 | 1.45% | \$0.37 |
| | | | On-Facebook Lead | Total Spent | Total | Per 1,000 Impressions | Total | Total | Per Action | Per Impressions | Per Click |

**results not typical



Does a higher ROI always mean a more successful marketing campaign?

Ideally, yes, a higher ROI would always mean a more successful marketing campaign.

However, businesses have imperfect information, so marketing ROI should be considered alongside other goals and assumptions about what is measurable.

For example, a Google Search Ads campaign might report an ROI of 800% for a brand, whereas a sponsored event or video content by the brand might lead to few new direct sales, reporting a negative ROI. However, the video or event may have grown awareness, brand love, and brand interest in a way that the search ads couldn't. In fact, some of the customers who purchased after clicking a search ad may have searched for the brand due to the brand-building effect of the sponsored event or video.

10. OPEN COMMUNICATION:

Ongoing communication is the key to success – we win when you win. This cannot be overstated.

CONCLUSION:

The potential return is far greater than a piece of equipment, in fact, our clients tell us the the long-term benefits of our testing and strategy methods are unmatched. While it does take patience and commitment to the year ahead, you can count on a sound return of your investment.

To learn more, [schedule a no-obligation ROI projections call with Nicole here](#)