

ROI calculations for campaign debriefing

ROAS

Formula: ROAS = Revenue/Ad spend

Record your ROAS calculations based on revenue and ad spend in the table below. You can express ROAS as a number, ratio, or percentage. All are correct.

Campaign ROAS	ROAS for search ads	ROAS for display ads	ROAS for social ads	ROAS for shopping ads
2	1.7	1.8	4.7	3.5

AOV

Formula: AOV = Revenue/Number of orders

Record your AOV calculations in the table below.

Campaign AOV	AOV for search ads	AOV for display ads	AOV for social ads	AOV for shopping ads
\$80.54	\$128.69	\$27.61	\$87.41	\$61.00

LTV

Formula: LTV = Average order value (AOV) x Purchase frequency

Record your LTV calculations in the table below.

Campaign LTV	LTV for search ads	LTV for display ads	LTV for social ads	LTV for shopping ads
\$128.86	\$193.04	\$55.22	\$131.12	\$91.50

LTV to CAC ratios

Formula: LTV to CAC ratio = LTV/CAC

Record your LTV to CAC ratios in the table below.

Campaign LTV:CAC	Search ads LTV:CAC	Display ads LTV:CAC	Social ads LTV:CAC	Shopping ads LTV:CAC
2:1	1.7:1	1.8:1	4.7:1	3.7:1

Percentage of new customers making purchases

Formula: Percentage of new customers making purchases =
(Number of unique new account purchasers / Number of new accounts) x 100

Record your calculated percentages in the table below.

Campaign percentage	Search ads percentage	Display ads percentage	Social ads percentage	Shopping ads percentage
18.37%	19.75%	17.54%	13.51%	23.16%

Future budget decisions

For a future campaign, would you recommend moving some of the budget from a channel with a lower ROAS to a channel with a higher ROAS? If so, which channel(s), and how much of the budget? Enter your recommendation below.

I would recommend taking 30% of the search ads budget and direct to both social and shopping ads divided equally.

In this scenario, the goal is to make sure the LTV to CAC ratios remain at 2 or higher so channels remain profitable even when absorbing occasional declines in LTV or spikes in acquisition costs. With this information, would you recommend a budget change for channels with results below 2 or above 3? Enter your recommendation below.

For both social and shopping ads that scored 4.7 and 3.7 ratios respectively, increasing their budget by over 300% might increase their CAC while increasing the CAC of search ads that has a score of 1.7.

Additionally, having loyalty stage campaigns directed at both the search and display ads new customers should increase their LTV and bring the ratio to over 2:1

For a future campaign, if you have funds available, which channels would you customize landing pages for in an attempt to increase customer conversion rates?

Hint: Refer to the percentages of new customers making purchases to help you decide where you might need customized landing pages. Enter your recommendation and the thought process you went through to reach your decision below.

The landing pages of the social ads and display ads can use some improvement to bring the percentage of new customers making purchases closer to 20%