DIALOGTECH

The 49% ROI Mistake Marketers Don't Know They're Making

WHY CALL ATTRIBUTION
IS SO CRITICAL TO
MOBILE MARKETING

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INTRODUCTION

Smartphones have fundamentally transformed how consumers interact with marketing and engage with businesses. We live in a mobile-first world, and marketers are shifting their ad budgets accordingly: mobile now makes up half of all digital ad spending. Yet many marketers are not fully capitalizing on the mobile opportunity, and may not even realize it. Thanks to smartphones and mobile click-to-call, mobile advertising drives inbound calls, and marketers that aren't measuring call conversions from mobile are making a critical ROI mistake.

In this DialogTech Insights research report, you will discover what is driving the explosive growth in calls from mobile and why call attribution and optimization are critical to fixing the 49% ROI mistake.

MOBILE-FIRST IS THE NEW STANDARD IN MARKETING

The world has gone mobile. As consumers continue to spend more time on mobile devices than desktops, enterprise and agency marketers have followed suit and are allocating more budget toward mobile. It's estimated that mobile ad spend will increase 50% in 2015, and by 2019 mobile advertising is expected to represent 72% of all digital ad spend.[1]

This explosive growth stems from the increased engagement with and investment in mobile search, display, social, video, and more.

It's no longer enough for mobile to be an afterthought in marketing – not when it will make up the majority of overall digital ad budgets within four years.
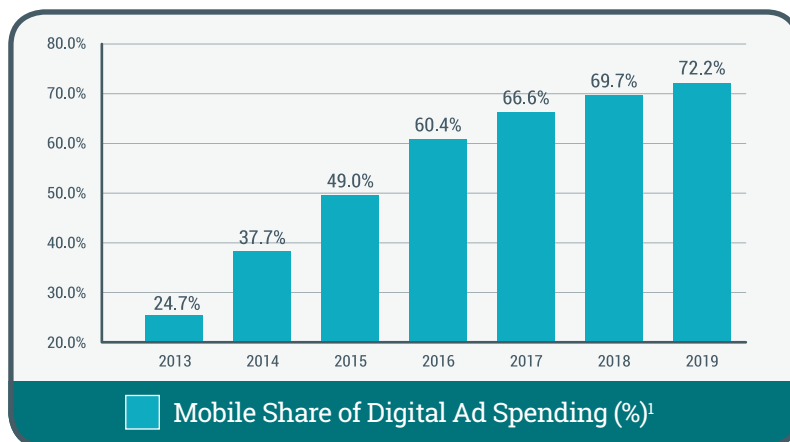
Over 50% of searches now occur on mobile devices[2]

78% of Facebook users are mobile-only[3]

90% of Twitter ad spending is mobile[4]

Mobile now accounts for 40% of all online retail sales[5]

66% of emails are opened on mobile[6]

Half of YouTube views are on mobile devices[7]

Mobile Share of Digital Ad Spending (%)[1]

| Year	Value
2013	24.7%
2014	37.7%
2015	49.0%
2016	60.4%
2017	66.6%
2018	69.7%
2019	72.2%

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MOBILE IS GENERATING BILLIONS OF CALLS

Mobile has fundamentally changed how consumers and marketing leads convert. It's human nature to choose the path of least resistance, and how we use our mobile devices is no exception. Is it easier to click a phone number and place a call or to fill out multiple fields in a web form on a small smartphone screen and wait for the business to call you?

When people opt to press a click-to-call link on their smartphones it's because they want immediate answers or assistance and are ready to engage with a business directly. They aren't interested in filling out a form only to wait hours or days for a company to contact them back. Smartphones have conditioned consumers to expect immediate access to personalized, relevant information; when they can't find what they want or are ready to take the next step in the purchasing process, they call.

By not tracking and optimizing for phone calls throughout the customer journey, marketers are subjecting themselves to a series of problems: incomplete conversion data, misattribution, inaccurate ROI, and wasted ad spend, to name a few.
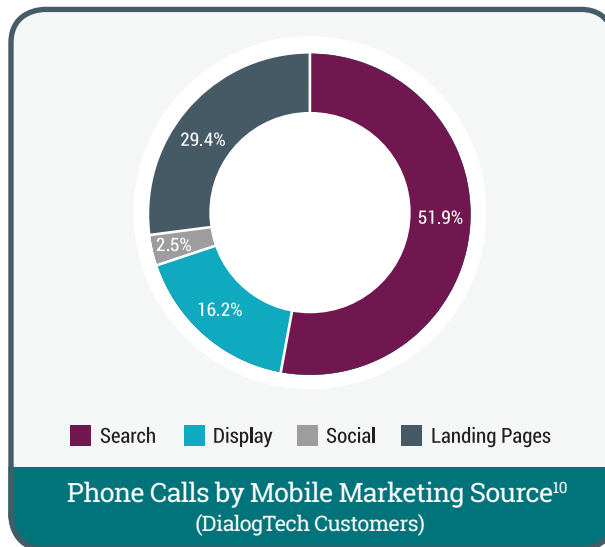
At DialogTech, we see a similar trend within our customer base. We analyzed 60 million website sessions and over 400,000 resulting inbound phone calls during the period between November 2014 and May 2015. The chart to the right shows that calls from mobile sources are up 34% in the past six months alone. On an annualized basis, that's an increase of 78%.

Calls Driven to Businesses from Smartphones[9]
(Billions)
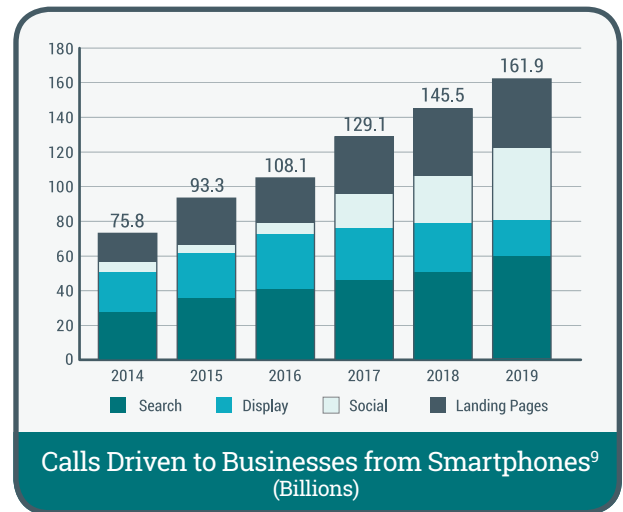
Data from research firm BIA/Kelsey shows the explosive growth of mobile calls into U.S. businesses. They predict that by 2019 mobile channels will drive 162 billion calls, up from 76 billion in 2014. Search and social media are the largest drivers of this 114% increase.

Percent of Calls from Mobile Channels[10]
(DialogTech Customers)

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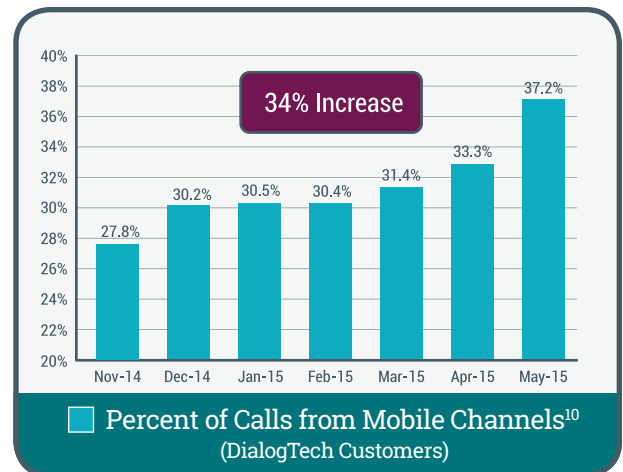
Breaking down which mobile channels generate the most phone calls, we found that search and landing pages are driving a combined 81% of calls for our customers. Compared to display and social advertising, mobile searchers and visitors to mobile landing pages both have a higher level of intent to call a business. If a consumer searches on their phone for a local business, they can easily click a call extension to speak to the business right away from the search ad. Or if they are researching a business and reach a landing page, they can immediately talk to an agent instead of filling out the form and waiting to hear back. Callers from these channels know what they are looking for and are ready to talk.

29.4%

51.9%

2.5%

16.2%

■ Search ■ Display ■ Social ■ Landing Pages

Phone Calls by Mobile Marketing Source[10]
(DialogTech Customers)

The same cannot yet be said about calls from social media, but there is investment in its growth. Take Facebook and Twitter: both have recently introduced call buttons within their advertising. As people continue to adopt features like this, it's helping power the 5X growth in calls from mobile social ads that BIA/Kelsey predicts will occur by 2019.

"In the marketing world, attribution is the new black. And in the smartphone era, voice is the new black. Call volumes to businesses from mobile devices are exploding, meaning it's a critical evolution to track, analyze, and optimize campaigns around these high-intent inbound calls."

-Mike Boland
Chief Analyst and Vice President
BIA/Kelsey

Phone calls from mobile have become a challenge for many marketers, but it doesn't have to be that way. There are three key opportunities for marketers to not only fix mobile misattribution, but to optimize campaigns and personalize the call experience to help convert more callers to revenue.

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OPPORTUNITY #1: ATTRIBUTION
You May Be Misattributing 49% of Your Conversions

Accurately measuring mobile ROI is a challenge for many marketers – whether they know it or not. When marketers rely solely on measuring conversions from landing page web forms, they may be misattributing nearly half of their conversions. The missing piece of the attribution puzzle? Phone calls.

While conversion rates vary widely based on factors such as industry or product, DialogTech found the average web form conversion rate for landing pages to be 2.4%. DialogTech also found the average phone-through rate (PTR) to be 2.3%. Combining the two conversion paths, the result is an average total conversion rate of 4.7%. Without call attribution, 49% of conversions could be missed or misattributed to the wrong source.
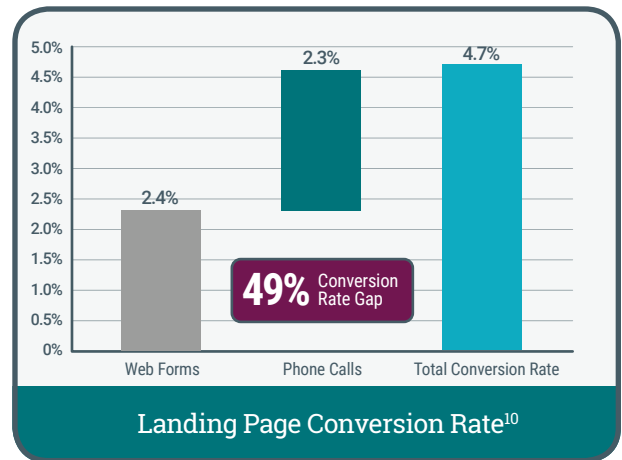
As marketers allocate more budget toward mobile advertising, their PTR blind spot will only grow as more calls are driven from mobile channels. Without measuring these mobile call conversions, marketers struggle to prove that they are investing in programs that actually work. Are they picking the right channels? Running the right ads? Bidding on the right keywords? Crediting conversions and ROI to the right sources?

Landing Page Conversion Rate[10]

Consider a search marketer with a monthly Google AdWords budget of $50,000. Assuming they generated 250 web leads in one month, the result is a cost per lead of $200. But that's with no call attribution. With call attribution the search marketer discovers a 49% ROI mistake: in addition to 250 web leads, they are also receiving 245 phone leads each month. Now with 495 total monthly leads, the cost per lead decreases 49% to $101.

Paid Search Marketing Example: With and Without Call Attribution.

|	Monthly Budget	Web Leads	Phone Leads	Total Leads	Cost Per Lead
Without Call Attribution	$50,000	250	?	250	$200
With Call Attribution	$50,000	250	245	495	$101

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Without call attribution data, the search marketer in this scenario has a 49% ROI blind spot that inhibits their ability to measure what's really working and accurately bid on the right keywords driving both web and phone leads. The result: inaccurate ROI data with an inflated cost per lead and potentially lost sales opportunities and revenue.

What's more, attribution increases in complexity for mobile search marketing where ads now commonly include locations, reviews, hours, directions, and call buttons. In many instances consumers call a business directly from the search engine results page, instead of visiting a landing page.

Google published data in 2013 on the proliferation of click-to-call from call extensions. In September 2013 there were already 40 million monthly calls made from Google call extensions – 4X the volume from February 2012. So tracking how leads convert on the search results page as well as those that click through to a landing page is critical to understanding mobile attribution.

40 million
calls were made from Google call extensions in September 2013 alone.[8]

Calls from Google Call Extensions (millions)[8]
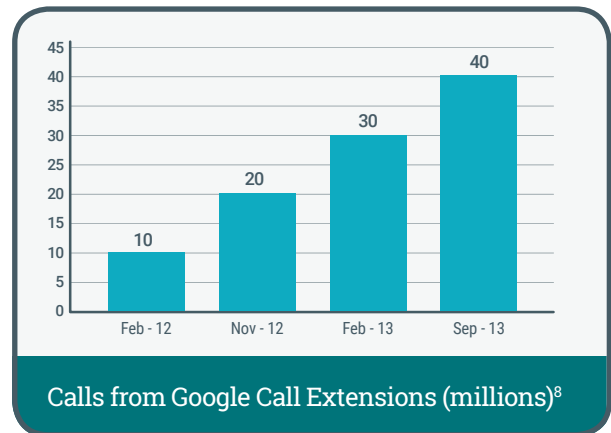
DialogTech Helps HotelsCorp Optimize Paid Search to Drive 71% More Bookings

HotelsCorp, a subsidiary of Westgate Resorts, used keyword-level call tracking to optimize their paid search marketing. Here's how they did it:

- They integrated DialogTech call tracking data within Google Universal Analytics and Google AdWords

- HotelsCorp was able to analyze call conversions and the exact keyword, ad, and campaign that drove each call

- They now have the insight needed to optimize their SEM by allocating more budget toward keywords driving calls

- DialogTech helped them increase phone leads by 83% and bookings by 71%, all while decreasing cost-per-conversion by 10%

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OPPORTUNITY #2: PERSONALIZATION

Personalize the Call Experience to Close More Sales

Callers are more likely to become customers: when they call they are ready to purchase. In fact, 62% of mobile searchers find it extremely/very important to be able to call a business during the purchase phase.[8]

It's no surprise then that 66% of sales managers rate phone leads as good or excellent, more than any other lead type. Not when call conversions become revenue 10x more frequently than web conversions.[9]

Mobile marketing is all about personalized and relevant ads, content, and experiences. The same holds true for the call experience: offering consumers a personalized, one-to-one call experience can go a long way in helping businesses convert more callers to revenue. There is significant metadata around each caller that marketers can use to create a more relevant call experience, including the marketing campaign and referrer information that drove the call, the search inquiry they used, the caller's location, the webpages they viewed before calling, what device they are calling from, and more. Marketers can use this data to create a seamless experience and ensure every caller is routed to the best store, dealer, call center, or agent to convert them.

> "Once DialogTech showed us which keywords were driving actual phone calls, we were able to use Kenshoo to determine the true value of different keywords and optimize bidding for the search terms that were really working."
>
> –Shaun Parnell
> Vice President, Technology Integration & Analytics
> Sq1

DialogTech Helps Sq1 Increase Calls by 75% for Global HVAC Manufacturer

One of the largest HVAC manufacturers in the world hired Sq1 to drive calls and sales to dealers in 50 local markets in the U.S. Here's how they did it:

- They ran SEM campaigns and integrated DialogTech's call data within Kenshoo to track calls back to specific keywords

- Sq1 then optimized their client's budget and improved their bidding strategies for the keywords driving calls

- They also leveraged IVR technology to weed out bad calls and route good callers to the closest local dealer

- Sq1 increased their client's call conversions by 75% while decreasing cost per call by 65% in only 5 months
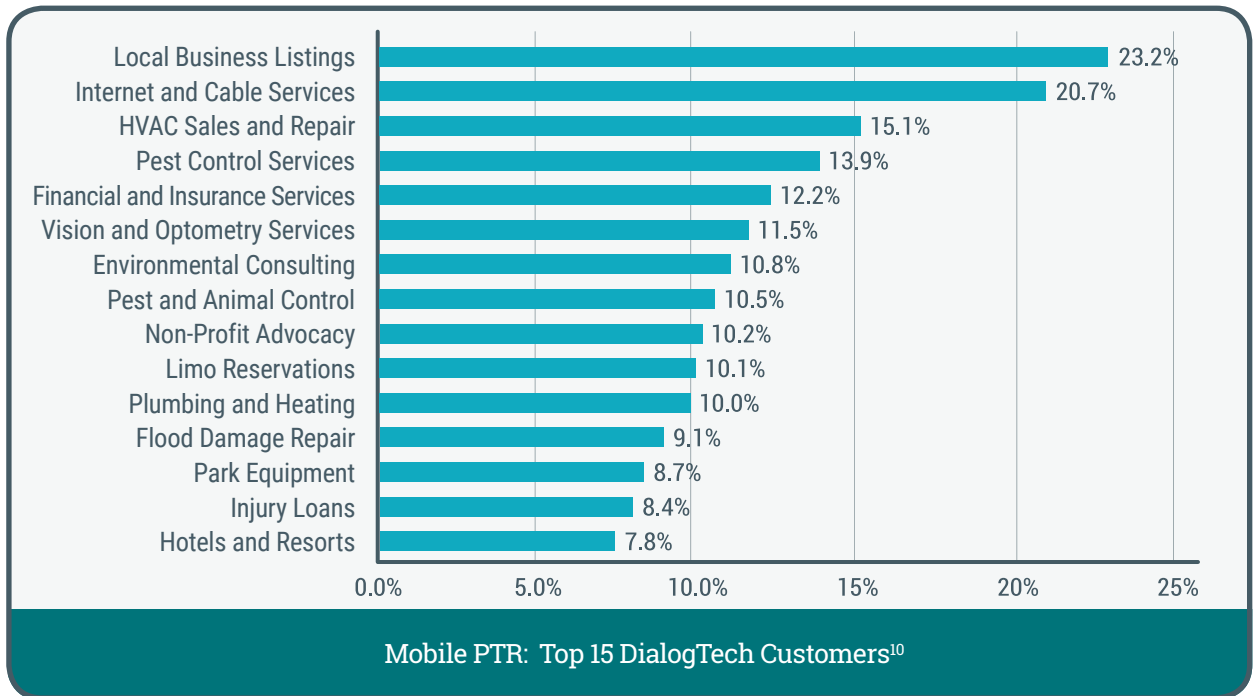
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OPPORTUNITY #3: DISPOSITION

Understand Intent to Increase Customer Acquisition

When digital marketing was focused exclusively on desktops, understanding a lead's behavior and intent was simpler. Consumers often began and ended their journey on one device, with conversions occurring via a web form or online purchase. With everything confined to the desktop, tracking each consumer's digital footprint -- where they came from, the webpages they viewed, if and how they converted -- was easier.

In a mobile-first world, however, measuring the customer journey is more challenging. While some mobile purchases are simple (buying music, for example), many are more considered due to their complex, infrequent, or expensive nature. Buying life insurance, enterprise software or hardware,

a new car, real estate, or senior care services are just a few of the many considered purchases for which buyers need more detailed information before making a decision. The customer journey for these goods and services often includes mobile, desktop, and offline touch points.

It was mentioned earlier the average phone-through rate for DialogTech customers is 2.3%. In the chart below there are customers with a PTR over 10%, and others as high as 10X the average. Their common denominator? They are industries that are either considered purchases (*e.g.*, insurance, consulting) or require conversation (*e.g.*, listings, pest control, repair).

Local Business Listings	23.2%
Internet and Cable Services	20.7%
HVAC Sales and Repair	15.1%
Pest Control Services	13.9%
Financial and Insurance Services	12.2%
Vision and Optometry Services	11.5%
Environmental Consulting	10.8%
Pest and Animal Control	10.5%
Non-Profit Advocacy	10.2%
Limo Reservations	10.1%
Plumbing and Heating	10.0%
Flood Damage Repair	9.1%
Park Equipment	8.7%
Injury Loans	8.4%
Hotels and Resorts	7.8%

Mobile PTR: Top 15 DialogTech Customers[10]

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When leads convert by calling, marketers need the same level of analysis to understand what happens as they do with desktop-exclusive purchases. What was their digital footprint? What web pages did they visit? What exactly happened on the call?

The chart below shows DialogTech data on the industries with the longest average call duration. Longer calls are often a strong indicator of quality sales leads. However, long calls aren't a guarantee of a sale.

Average Call Duration by Industry (minutes)[10]
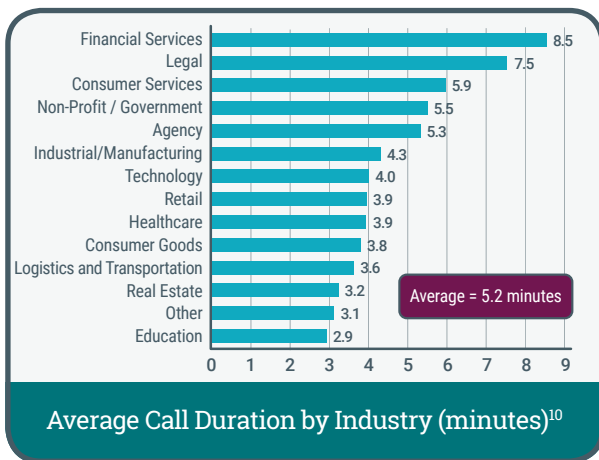
Marketers need insight into what happens on calls from their marketing to truly measure call quality and ROI. Did a call result in a sale or an appointment? What was said that influenced the caller to convert? Call recordings and transcriptions – and technology to scan conversations for specific words and phrases spoken on the call – give marketers more insight to help them improve campaigns, optimize marketing messaging for the words callers actually use, or measure agent performance on the call.

Leading Global Insurance Provider Uses DialogTech to Optimize Marketing for Phone Leads

DialogTech knows phone calls are valuable for its insurance clients, especially when the average call duration is 8.5 minutes.

- This leading global insurance provider needed insight into the thousands of calls they receive each month

- Using DialogTech's call attribution they pinpoint the exact marketing source driving calls

- They have increased phone leads by 14% in the first 4 months of 2015 alone

14%
increase in phone leads for global insurance provider using DialogTech.[10]

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CONCLUSION

The mobile opportunity is clear: call volumes are exploding and callers are ready to buy. Marketers are shifting their digital ad budgets accordingly, yet many are making a critical ROI mistake without even knowing it. By 2019, inbound calls from mobile advertising will increase 114% and marketers who fail to track these leads may be misattributing half of their conversions.

Call attribution and optimization is key to capitalizing on this opportunity. By correcting the 49% ROI mistake they are making without tracking calls marketers will have closed-loop attribution for every conversion, and be able to prove exactly how their mobile marketing is driving revenue. They can then optimize spend for what's really working, increasing their impact on the business. And by controlling how each caller is routed and analyzing what happens on calls, marketers can help sales agents convert more callers to revenue faster.

RESEARCH METHODOLOGY

From November 2014 to May 2015 DialogTech analyzed a representative sample of over 60 million website sessions and over 400,000 resulting inbound phone calls processed through its platform. DialogTech's customers are agencies and corporate marketers in over 35 industries, which range from small, fast-growing companies to the Fortune 100.

SOURCES

1. eMarketer, 2015
2. Google, 2015
3. Facebook, 2015
4. Twitter, 2015
5. IMRG and Capgemini, 2015
6. Moveable Ink, 2014
7. YouTube, 2015
8. Google, 2013
9. BIA/Kelsey, 2015
10. DialogTech Internal Data, 2015

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About DialogTech Insights

DialogTech Insights is DialogTech's marketing research center focused on educating businesses and agencies on multi-channel marketing trends and best practices. It publishes data-driven thought leadership and original analytics for today's mobile-first world, and it provides actionable insights marketers can use to drive more revenue-generating conversions across channels.

About DialogTech

DialogTech, formerly known as Ifbyphone, is the market leader in call analytics and automation. Thanks to smartphones, consumers are calling businesses to engage in conversation at record rates throughout every stage of customer journey. DialogTech provides marketing, sales, and support professionals with a single platform that enables transparency and control over every conversation, so companies can optimize lead generation, acquire new business faster, and increase customer loyalty.

DialogTech's Voice360™ platform consists of a unique suite of applications that includes call attribution, call scoring, contextual call routing, call management, and automated voice notifications. DialogTech has successfully processed over one billion minutes of voice engagements for its customers, and serves as a strategic partner to more than 5,000 enterprises, digital agencies, and fast-growing companies across a wide variety of industries. For more information visit: www.dialogtech.com.

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