Connect The Dots

Google Click to Call: Improving Your Advertising Results
Consumers face no shortage of choices when it comes to connecting with a business in our digital economy. Yet, people who search on mobile phones to make a purchase are increasingly defaulting to a time-honored behavior – they call up a business to speak to someone.

In 2014, there will be more than 2 billion smartphones globally, which are used extensively for e-mail, search and e-commerce. And how often do consumers use this device as an actual phone? Turns out, quite a bit.

In a widely-recognized study released last September, Google found that nearly half of mobile consumers searching on their smartphones are more likely to explore other brands when they can’t call a business directly from their search results.

According to Google product manager, Anurag Agrawal “Click-to-call usage has grown exponentially due to the increasing popularity of mobile search. We now drive 40 million calls per month from Google AdWords.”

Ironically, while mobile technology has ushered in an era of impersonal and instantaneous transactions, it has also given rise to the reverse: with a telephone now in everyone’s hand, consumer-to-business conversations are accelerating at a rate faster than we have ever seen. For businesses, these real-time, human connections are the soil from which long-lasting customer satisfaction and loyalty grow.

Marchex understands that consumer-to-business conversations are part of a vital ecosystem in the digital advertising landscape. We leverage Google and other mobile media to connect and analyze over 300 million calls annually to our clients.

The scale of our mobile advertising network and our Call Analytics technology combine to make Marchex an expert in understanding consumer-to-business behavior over the phone.

In this paper, we will review:

1. Why advertising with Google AdWords to generate inbound customer calls is essential for businesses of all sizes and across a range of industries.
2. How measuring and analyzing calls from mobile advertising can positively impact multiple facets of your business.
3. Best practices for using calls to grow your business.

Why calls matter

From contractors to caterers, and plumbers to pet groomers, local businesses consider a phone call the most desired outcome of digital advertising. That’s because live connections have a higher probability of customer conversion. In turn, Google click-to-call is fast-becoming a necessary component of a complete mobile strategy.

Lars Marketing, a Paid Search Marketing and Search Engine Optimization provider for small-to-medium sized businesses, uses click-to-call for many of its local campaigns. According to Principal Ryan Burt: “For clients who rely on in-store traffic or phone calls to drive sales, I’ve found Google click-to-call is essential to providing a measurable return on investment.”

Joanne Stogiannas, General Manager, Digital Marketing, GM Holden, a fully-integrated global General Motors operation that designs, builds and sells vehicles for Australia and the rest of the world, echoes this sentiment.

“Buying a car is usually a high investment purchase for anyone with considerable time and effort going into research. Phone leads generated through on-line activities have been difficult to accurately measure yet key to understanding our market behaviour and demand for our product.”

ADT, a leader in the electronic security industry in the U.S. and Canada, uses click-to-call in Google and much of its digital advertising.

Marchex call conversion rate for quality calls

<table>
<thead>
<tr>
<th>Industry</th>
<th>Conversion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Cars</td>
<td>20-30%</td>
</tr>
<tr>
<td>Home Service Calls</td>
<td>30-35%</td>
</tr>
<tr>
<td>Cable</td>
<td>18-25%</td>
</tr>
<tr>
<td>Hotels</td>
<td>15-22%</td>
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</tbody>
</table>

We now drive 40 million calls per month from Google AdWords.
“We know that current and future customers of ADT want to talk to us before installing a new security system. And we believe that click-to-call is an important part of our digital advertising,” said Claudio Duran, Director of Digital Marketing.

From the consumer perspective, people want to talk to a business when a purchase is high-value (e.g., auto), complex (home security) or highly individualized (insurance). In fact, 40% of auto insurance policy conversions occur over the phone, with many more initiated over the phone and closed in person.

Phone calls also offer a more immediate path to booking. InterContinental Hotels Group, a global organization with a portfolio of nine hotel brands, including InterContinental®, Crowne Plaza® and Holiday Inn®, leverages mobile click-to-call to drive reservations. The company also relies on call analytics data to understand the outcomes of phone calls coming from mobile search results.

“Leveraging click-to-call in search is essential to our customer acquisition strategy for DISH.”
Clayton McLaughlin, VP Search Director for Havas Worldwide Chicago

“As more and more of our customers shift their ‘looking and booking’ behavior to Mobile”, says Rosemary Koesling, Global Interactive Marketing Manager, “it is important to understand how to measure and quantify that value. Click-to-call enables us to effectively measure consumers that make a reservation offline.”

Transforming your business with click-to-call data

Driving new customer calls from click-to-call campaigns is the first step. The next – and equally important – step is measuring inbound calls. Analyzing this data is crucial to optimizing your campaigns.

As Dave Miller, Google, Performance Ad Sales & Product Strategy, says, “Many people don’t realize that phone calls are measurable and that combining your AdWords click-to-call with measurement benchmarks can dramatically improve search efficiency.”

At the same time, mobile is inherently more complex than desktop. This means that analytics solutions that only show online conversions fail to provide a full picture of campaign success in mobile.

Ultimately, not measuring mobile click-to-call campaigns means it is impossible to know if calls generate good or bad customer outcomes. The result: businesses waste untold dollars on ad spend.

Measuring call data

Search and advertising agencies are seeing the direct impact of mobile search volumes on measurement and reporting.

Prominent Placement, an Atlanta-based search agency, commissioned online-only reporting for a home services business. The results were not good.

So the agency added a tracking solution to its Google mobile campaigns and a clear trend emerged: on average, 71% of its advertiser’s search engine conversions occurred over the phone. Armed with insights about the connection between mobile advertising and telephone leads, Prominent Placement could better optimize its client’s campaign to deliver more phone-based leads.

Sean Muzzy, Neo@Ogilvy CEO of North America, recently said this about a travel client:

“Over one quarter, year-over-year online sales had decreased. At the same time, we captured double-digit incremental sales through the call center driven by mobile click-to-call.”

Analyzing the data: Customer service

The Marchex Institute, our analytics and insights team, recently used our Call DNA™ technology to review customer performance service across industries. By measuring the frequency of cursing from the customer to the agent, Marchex concluded that cable and satellite providers had the worst customer experience.

In an environment where every call is an opportunity for upsell or cancellation, the financial ramifications of poor service are massive.

Call Analytics lends insights that help you staff your call center correctly for smooth service. Businesses can precisely identify when to staff up and when to staff down.

Take, for example, this fact: Marchex found that 12% of cable and satellite TV calls are abandoned due to hold time. Surprisingly, these hold times occurred during non-peak hours. This information helped our client modify staffing to increase efficiency. Phone calls can be an opportunity to either anger or delight your customers. Call Analytics helps you increase your chances of the latter.

Analyzing the data: Increasing sales

Marchex Call Analytics technology can provide an additional layer of detail into what happens during a call. This has many applications for improving sales. A hotel client recently found that “fitness center” and “view” were heavily associated with conversions. This knowledge better informed the direction of ad copy, web descriptions and call center operations.

For service-driven businesses, such as auto dealers which rely on agents to book appointments over the phone, Call Analytics technology is particularly compelling. A Marchex auto services client recently found that many of its sales reps were not asking to schedule...
appointments over the phone – information which led to more specific guidance on encouraging sales reps to do exactly that.

**Optimizing media performance**

Measuring duration as an indicator of call quality provides a baseline for where to spend more on keywords or advertising. For example, if you see calls of less than 10 seconds coming from your display campaign, these calls are most likely misdials. (See footnotes for Marchex industry duration benchmarks)

Marchex recently examined thousands of inbound, advertising-driven calls using our Call DNA™ technology. We found that duration of calls from Google-driven phone calls were more than 3.6X the duration of calls from Radio & TV. Moreover, the conversations driven by Google were superior, producing higher consumer engagement. We measured this as “Speech Switch” frequency between consumer and representative.

In fact, Google-driven calls had 40% higher engagement than all other channels⁷.

**Best practices for call advertising and measuring results**

For businesses that want phone calls, driving and measuring consumer-to-business conversations ultimately maximizes advertising spend. To get the most from click-to-call, advertisers should:

1. Provide mobile consumers options for connecting with your brand seamlessly, in a way that is tailored to take advantage of any manner of device. **Ensuring your Google ads are optimized for phone calls can increase your click-through-rate (CTR) by 8%**.²

<table>
<thead>
<tr>
<th>Industry</th>
<th>Median Duration</th>
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<tbody>
<tr>
<td>Home Services</td>
<td>5:09 minutes</td>
</tr>
<tr>
<td>Insurance</td>
<td>6:28 minutes</td>
</tr>
<tr>
<td>Car Rentals</td>
<td>5:50 minutes</td>
</tr>
<tr>
<td>Cable Satellite</td>
<td>7:33 minutes</td>
</tr>
<tr>
<td>Hotels</td>
<td>4:42 minutes</td>
</tr>
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**About Marchex**

Marchex is a mobile advertising technology company. The company provides a suite of products and services for businesses that depend on consumer phone calls to drive sales. Marchex’s mobile advertising platform delivers new customer phone calls to businesses, while its technology analyzes the data in these calls to help maximize ad campaign results. Marchex disrupts traditional advertising models by giving businesses full transparency into their ad campaign performance and charging them based on new customer acquisition.

- Our Call Solutions connect over 300 million phone calls annually
- Public company and our NASDAQ symbol is MCHX
- Headquartered in Seattle with more than 400 employees across the U.S.

Please visit [www.marchex.com](http://www.marchex.com), [blog.marchex.com](http://blog.marchex.com), Google+ or [@marchex](https://twitter.com/@marchex) on Twitter to learn more.

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2. Average conversion rate for a sample of quality calls connected in the Marchex network. Marchex quality calls are sales calls that meet a minimum duration and are not a repeat caller within a threshold of time. Total n=18,000.
4. Average rate for quality calls connected in the Marchex network. Marchex Quality calls are sales calls that are more than 30 seconds and not a repeat caller within at least 24 hours. N>300,000.
7. Marchex Institute, “Extracting Insights from Phone Calls with Call DNA.” November 2013.
8. Median phone call duration for a sample of quality calls in the Marchex network. Marchex quality calls are sales calls that meet a minimum duration and are not a repeat caller within a threshold of time. Total n=412,000.