



# The \$4 Billion Blind Spot

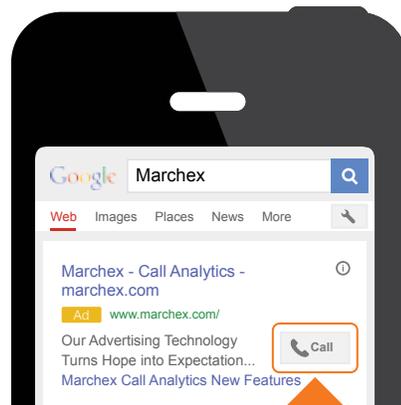
Why Search Marketers Need Keyword Attribution For Click-To-Call

## Overview

Blind spots permeate the landscape of our everyday lives. They serve to obscure what is right in front of us and what should rightfully be ours to see.

For marketers, blind spots are crippling to bottom lines. Without complete visibility into how advertising campaigns produce sales, marketers are left to invest in optimization strategies that ultimately bleed budgets.

This is no truer than in the advertising arena of click-to-call, in which advertisers invest heavily to drive phone calls from consumers without any visibility into which keywords result in desired sales and outcomes. Click-to-call ads appear in mobile search results on Google and Bing with a clickable phone number or call icon so that consumers can call a business immediately.



**In 2015, consumers will “click-to-call” more than one billion times from mobile search ads.<sup>1</sup>**

Based on an analysis of more than 1 million phone calls made directly from mobile search ads, the Marchex Institute estimates that **marketers spent more than \$4 billion on mobile search ads in 2014 to drive phone calls** – meaning that lack of keyword attribution in click-to-call is one of the biggest blind spots that exist in mobile advertising today.

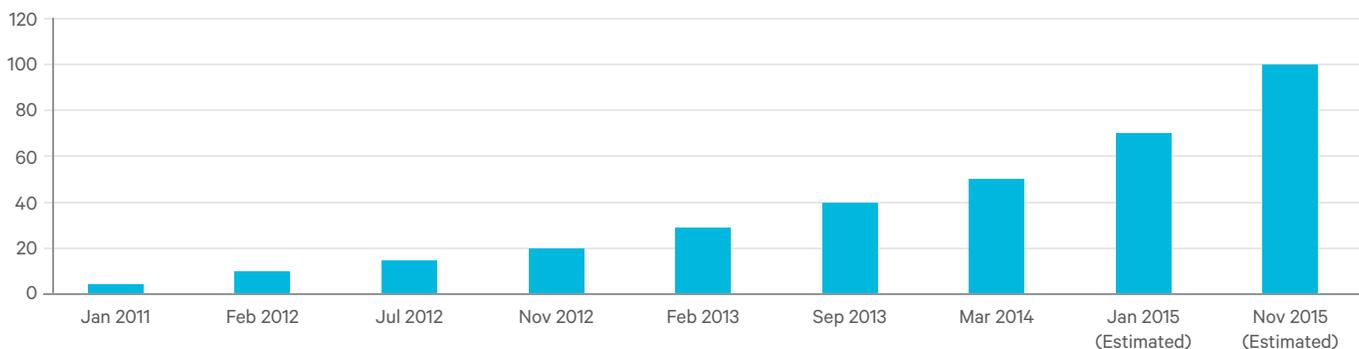
## Click-to-call and the big data gap

When Google first launched “call extensions”, or click-to-call, within mobile search advertisements in 2010, it was immediately popular with consumers and advertisers and generated millions of phone calls each month. In 2013, Google reported that call extensions generated more than 40 million phone calls monthly. In 2015, we expect call extensions will produce nearly one billion phone calls.

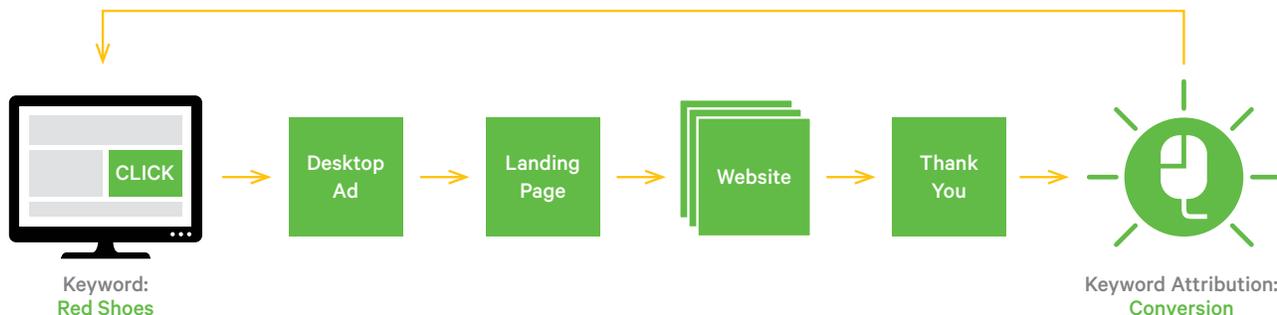
Despite the growth in click-to-call adoption, there remains a major measurement challenge for marketers. When a consumer clicks on a call extension, there is significantly less information available to the marketer as compared to a consumer that clicks through to a Web site.

Before we dive further into the measurement challenge with call extensions, let’s look at a case where marketers have all of the information necessary to attribute a purchase to a keyword.

**Millions of Calls Per Month From Google Call Extensions<sup>1</sup>**



Imagine a consumer clicks on an advertisement for “red shoes” and then goes to Zappos.com to purchase a pair of shoes. The marketer has all of the information needed to understand the path a consumer took to purchase those shoes. First, Google and Bing will provide the keyword that drove the click to Zappos.com. Second, a conversion tracking pixel placed throughout Zappos.com will tie the keyword to the purchase. Third, this information is easily made available within paid search automation tools such as Kenshoo, Marin or DoubleClick that allows a marketer to automatically update budget allocations by keyword.



Now imagine this scenario: a consumer conducts a mobile search for “home security system” then clicks on a phone number directly from her search results to place an order. All of the information cited in the Zappos.com example is missing and the marketer is left blind. Why? First, Google and Bing don’t provide the keyword that produced the phone call (they provide campaign-level data). Second, the marketer may not be able to determine if the call was a conversion. Third, this information can’t be made available in paid search automation tools. With marketers spending an estimated \$4 billion on click-to-call, this a blind spot of epic proportions.



The next section will take a look at each of these facets of the \$4 billion blind spot in more detail.

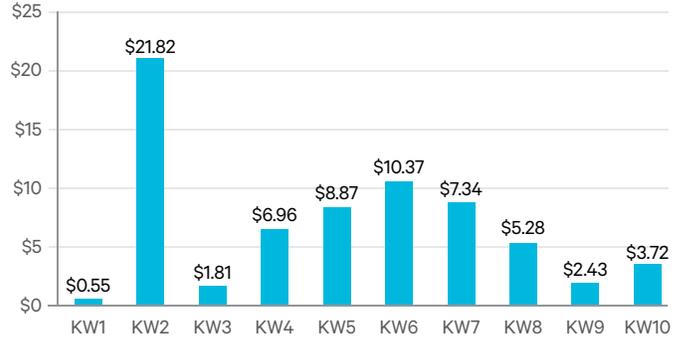
## Measurement issue #1 – Keyword attribution for click-to-call

Most search campaigns have one or more ad groups, and most ad groups have more than one keyword. At the campaign level, a marketer may see that 1,000 clicks produced 50 sales at an average cost per click of \$2. This means that the cost per sale for that keyword was \$40. (1,000 clicks x \$2 per click / 50 sales = \$40)

But what if a marketer needs to drive a sale for less than \$40? This is where keyword-level data comes in. Because there is cost and click data produced for every keyword, advertisers can make the above calculation for each keyword and change their bidding strategy to emphasize keywords that produce a better cost per sale.

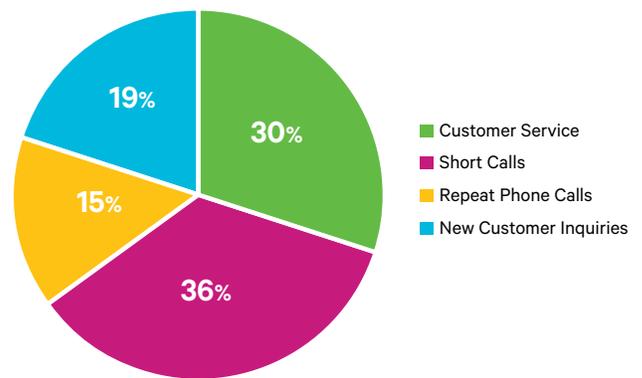
This is equally important for calls. The data on the right shows cost-per-call data for the top 10 keywords of a Fortune 100 advertiser that uses Marchex Call Analytics for Search.

This advertiser receives hundreds of thousands of calls from mobile search each year across thousands of keywords, and measuring this data is tremendously important to lower customer acquisition costs.



## Measurement issue #2 – Measuring consumer intent

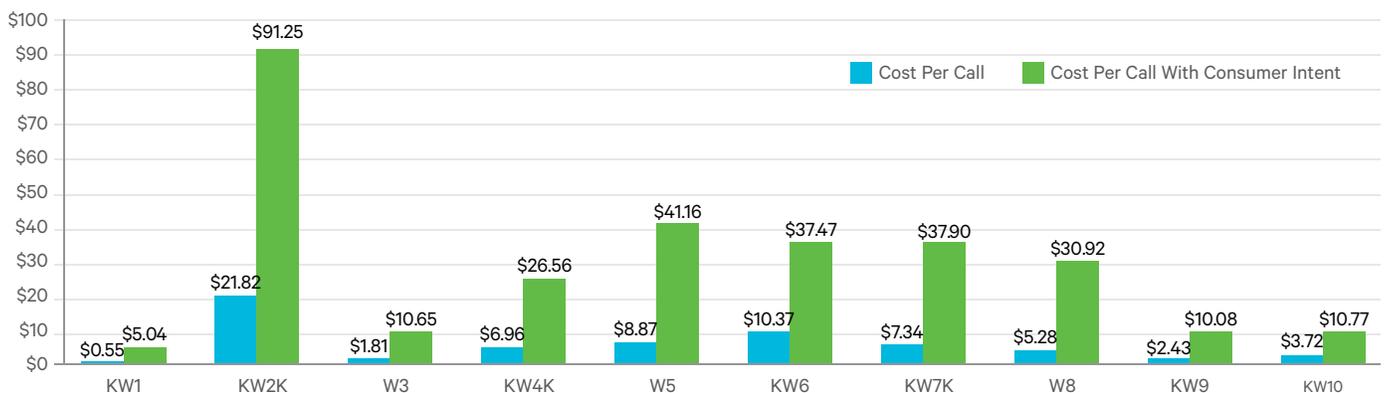
Knowing which keywords drive phone calls is a good start. But it's not enough for a marketer to truly improve ROI. The reason for this is that many phone calls do not have purchase intent. Examples include customer service calls, accidental calls and repeat phone calls. So how many of these types of calls are there? More than you might think.



The pie chart to the right is a breakdown of phone calls from a national cable television advertiser in 2014<sup>2</sup>. As you can see, more than 80% of phone calls do not have purchase intent.

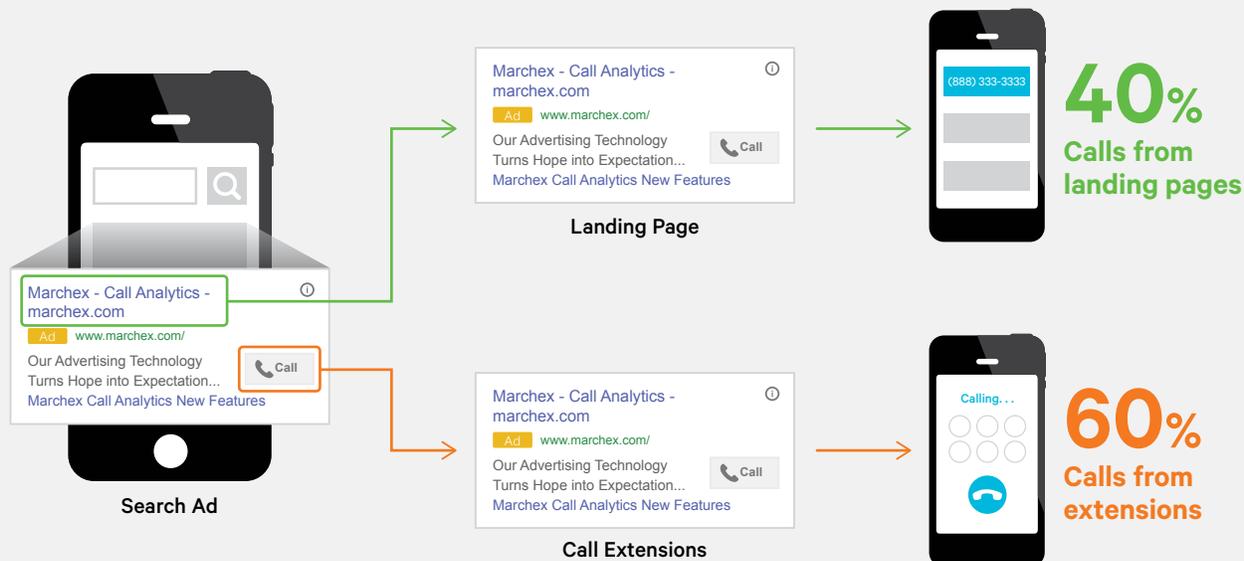
Does this mean that marketers should avoid driving calls? Quite the contrary. Calls convert into customers much more often than clicks do. But knowing which phone calls from which keywords create customers is the key to successful optimization.

Remember the chart in the previous section that shows the cost per call for 10 keywords? This chart now overlays a second data set, which is the cost per “sales inquiry” by keyword. As you can see, if marketers are not taking into account which calls have true consumer intent, they are missing a major opportunity to optimize.



## The two types of phone calls from mobile search

Calls from mobile search happen in two places: directly from search ads (click-to-call) and from mobile landing pages. The Marchex Institute estimates that 60% of phone calls occur directly from click-to-call ads, meaning that marketers need to have solutions that measure both types of calls.



Marchex, 2014. Data from cross section of advertisers and more than 100,000 calls.

### Measurement issue #3 – Using paid search automation

All of the data in the world isn't helpful if it can't be put to good use. Most top marketers are now using some form of paid search automation, including top platforms like Kenshoo, Marin, DoubleClick, IgnitionOne and Acquisio.

In fact, Kenshoo alone drives more than \$200 billion in annualized client sales revenue, and Marin Software manages more than \$6 billion in search spend.<sup>3</sup>

The reason why these platforms are a must for top marketers is that they take cost-per-sale data by keyword, and use that data to automatically improve return on investment through sophisticated bidding on the Google and Bing auctions.

This is why marketers must take keyword-level call data and include it in their paid search automation platforms.

Advertisers that successfully use keyword attribution for call extensions in paid search platforms have seen cost per acquisition decline by as much as 50%.<sup>4</sup>

### Turning a blind spot into a competitive advantage

For highly competitive search terms, such as "insurance" or "cable television" or "online MBA," clicks can cost as much as \$50 and have dozens of advertisers vying for top position. Advertisers that adopt measurement technologies for call extensions will have the benefit of knowing which keywords actually produce new policies, subscribers, or students, and can allocate their budget accordingly. We expect that early adopters of technology that provides keyword attribution for click-to-call will have a major competitive advantage in mobile search.

## Resources for marketers

For marketers who would like to know more about Marchex's solution for keyword attribution of call extensions, [visit here](#) to read about Marchex Call Analytics for Search. Marchex Call Analytics for Search is the only solution that provides 100% keyword attribution for click-to-call. A free 30-day trial is available for users of Kenshoo, Marin and DoubleClick.

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## Author profile

John Busby is Senior Vice President of Consumer Insights & Marketing at Marchex. Since 2010, Mr. Busby has run the Marchex Institute, a consumer insights group that publishes findings on mobile advertising, call analytics and online-to-offline commerce. The Marchex Institute also provides custom research and consulting services for key customers on their mobile and call-ready advertising campaigns. Previously, Mr. Busby served as Vice President, Product Engineering. Prior to joining Marchex in 2003, he held various product and program management roles at InfoSpace's consumer and wireless divisions, Go2net and IQ Chart.



Mr. Busby has a bachelor's degree from Northwestern University.

## 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.

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

1. [January 24, 2011 Google reports millions of calls per month.](#)  
[Feb 1, 2012. Google reports 10 million calls per month and more than double from 2011.](#)  
*July 2012. Google reports 15 million calls per month. Google - Q2 2012 Earnings Call July 19, 2012.*  
[Nov 29, 2012. Google reports 20 million calls per month.](#)  
[Feb 28, 2013 Google reports 30 million calls per month.](#)  
[Sept 24, 2013 – Google reports 40 million calls per month.](#)
2. *Marchex data based on ad-driven phone calls from National cable advertiser, 2014.*
3. *Kenshoo & Marin case studies found at [www.kenshoo.com](http://www.kenshoo.com) and [www.marinsoftware.com](http://www.marinsoftware.com)*
4. *Customer data from Marchex Call Analytics from Search. Results will be unique for every client.*