 Five Elms Capital



# Building a High-ROI Paid Acquisition Marketing Program

with John Short



Think of paid acquisition  
marketing as throwing  
gasoline on the flames  
of your marketing efforts

# What are the pros and cons of leveraging paid acquisition vs. other lead generation strategies?

## PROS

**Scalability:** Easily adjustable to fit your budget. ✓

**Predictability:** Can be calibrated for precise investment-to-return ratios. ✓

**Content Amplification:** Capable of boosting high-quality content. ✓

**Control:** Provides ownership throughout all stages of the process. ✓

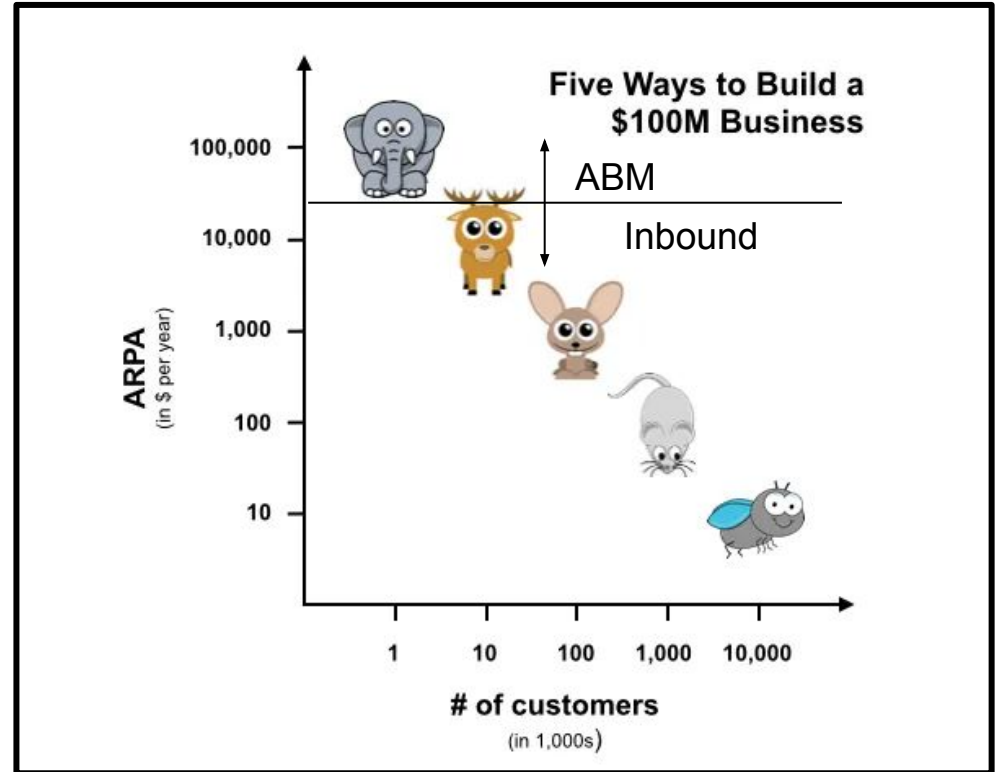
## CONS

**Impermanence:** Offers benefits that are not long-lasting, similar to renting. ✗

# Leveraging Paid Media for ABM vs. Inbound

- ABM
  - Finite customer base
  - Higher ACV
  - More personalization
- Inbound
  - Lower ACV
  - Infinite accounts

[Source of image](#)



# What do you need to have in place to execute on a paid acquisition strategy?

## Understand your Customer

Knowing who they are, where they spend their time, and what triggers them to enter the market will inform your creative strategy and campaign goals.

## Deliver at the Right Time

Aligning your offers with the customer's stage in the buyer's journey. This ensures that your marketing efforts are contextually relevant and effective.

## Track Success

Establishing an attribution and tracking system from the start will allow you to monitor campaign performance and make quick decisions about budget allocation or channel effectiveness.

# What are the steps to identifying and creating your ideal customer profile (ICP)?

1

Formulate a **hypothesis** on your target industry

2

Analyze your **CRM data** for desirable outcomes

3

Identify customer **characteristics** that correlate with those outcomes

4

Build a **digital ICP** that you can target using enrichment tools

5

Gather **stakeholder feedback** from sales other customer-facing teams

6

Combine **qualitative and quantitative** data to create an ICP

# What factors should you analyze to find your best customers?

## **Quantitative Data**

Deal velocity, conversion rate through the funnel, total lifetime value, firmographics, etc.

## **Customer Conversations**

Getting on the phone and listening to your customers can provide invaluable insights into their needs, preferences, and pain points.

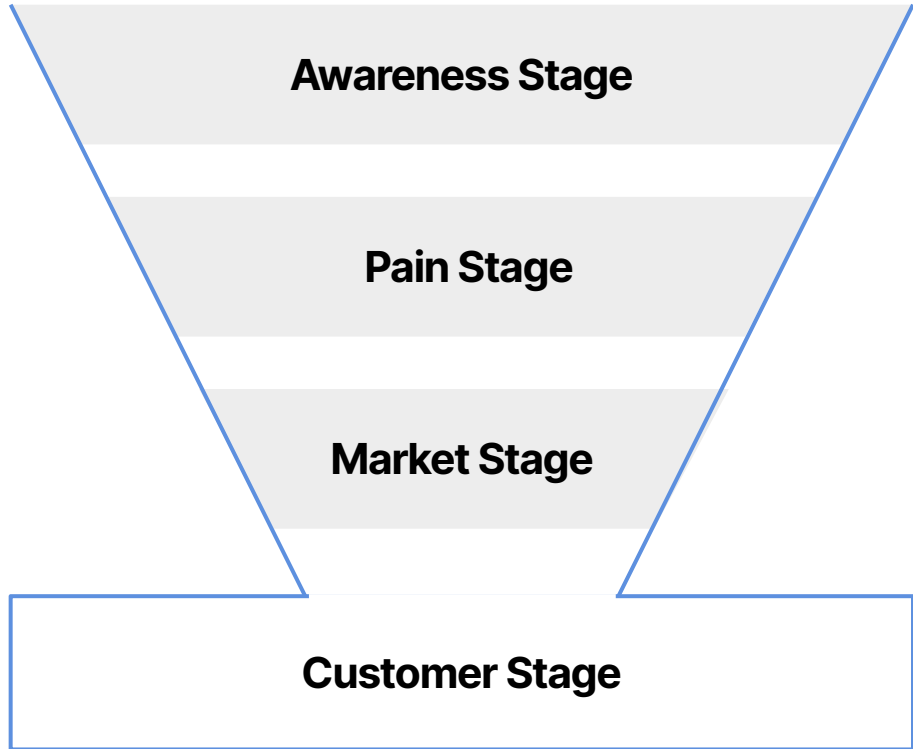
## **Internal Conversations**

Collaborate with your team, they can provide insights into the best use cases for your product and who is happiest with it.

## **Satisfaction Data**

High NPS indicates that your customers are not only satisfied with your product or service, but are also likely to recommend it

# What are the stages to consider incorporating into your buyer's journey? How do you align your marketing?



This is the initial stage where potential customers become aware of your product or service.

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At this stage, potential customers are experiencing a problem or 'pain' that your product or service can solve.

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This is when potential customers are actively looking for solutions like yours.



# What channels should you consider leveraging for paid acquisition?



## **Paid Search**

Google can provide quick feedback, which is crucial when building a paid acquisition strategy.



## **Paid Social**

Social media is a valuable channel once you understand your customer (especially LinkedIn for B2B).



## **Review Sites**

E.g. G2 Crowd and Capterra, leveraging these platforms can provide valuable insights into your customer base and their preferences.



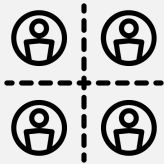
## **Tip**

Learning lessons from Google ads can fuel success on paid social channels.

# How do you use your ICP in paid acquisition marketing? How should you target prospects within your ICP?

**Use your ICP to tightly segment within the audience**

Allows you to come up with the right creative for the right customers at the right time



**The segments you target should shape your marketing mix**

As you start to think about targeting on social, podcasts, videos, etc. segmentation informs where and how you can access your audiences



**Combine your ICP with data providers to build custom audiences**

The digital ICP provides a tactical approach to audience identification

 Google Ads





# How should you approach attribution in paid acquisition marketing?

## Analyze KPIs

Look at marketing qualified leads (MQLs), qualified pipeline, customers driven.

## Assign Attribution

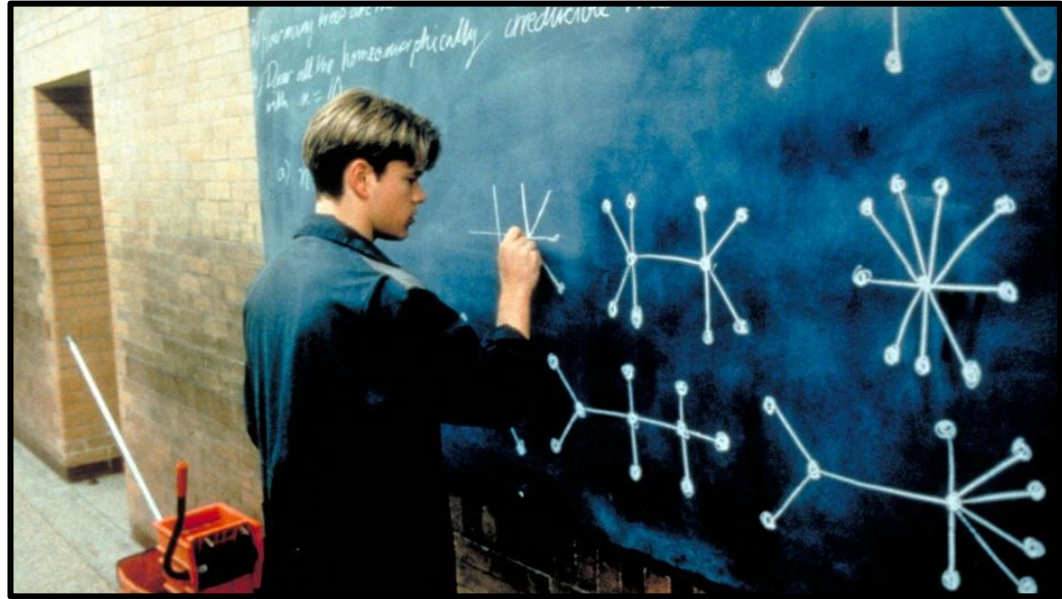
Consider the first and last touch to your product, review every brand touchpoint, and use data to triangle attribution such as: Web analytics, CRM data, feedback from sales and customers.

## Utilize Tools

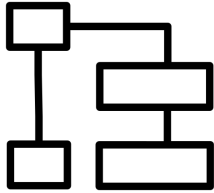
To track success leverage web analytics and marketing automation systems, review social media platform analytics, and consolidate your reporting data from different tools.

# There is no perfect attribution model

- We report on first touch
- But review:
  - Last touch
  - Multi-touch often
- Ask customers



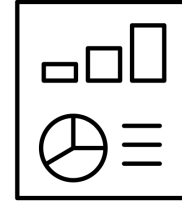
# How should you think about bidding algorithms?



## **Bidding Algorithms Maximize Return**

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- Evolve from cost-per-click (CPC) to cost-per-lead or return on ad spend



## **Data Quality is Key**

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- Feeding in better data leads to better results

# Funnel Economics: Understanding the value by stage

<b>Lead Funnel Economics</b>	
Calculations to help us identify the total number of leads necessary for the entire year	
Users	126,667
Visit Conversion Rate to Lead	2%
Leads	2,533
Lead Conversion Rate to MQL	50%
PQL/MQLs/SAL	1,267
MQL Conversion Rate to SQL	50%
SQL	633
SQL Conversion Rate to customer	25%
Customers	158
Average Deal Size	\$30,000
Value per:	
Lead	\$1,875
MQL	\$3,750
SQL	\$7,500
Total Bookings	\$4,750,000
Months to ROI	14
Projected ROI	501%

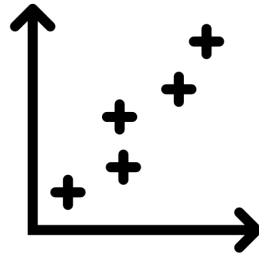
# Funnel Economics: Not all leads are equal

	Demo	Trial	Ebook
Users	126,667	126,667	126,667
Visit Conversion Rate to Lead	1.50%	1.00%	3.00%
Leads	1,900	1,267	3,800
Lead Conversion Rate to MQL	80%	50%	10%
MQLs	1,520	633	380
MQL Conversion Rate to SQL	50%	40%	1%
SQL	760	253	4
SQL Conversion Rate to customer	30%	35%	10%
Customer	228	89	0
Average Deal Size	30,000	25000	35000
	\$3,600	\$1,750	\$4
	\$4,500	\$3,500	\$35
	\$9,000	\$8,750	\$3,500
	\$6,840,000	\$2,216,667	\$13,300

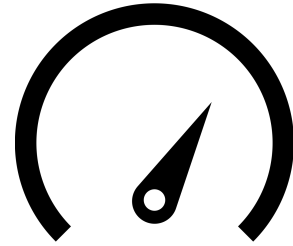
# How much should you spend on paid acquisition marketing?



**On average,  
\$1.50 per  
dollar of ARR**



**Higher ACV  
=  
Higher spend**



**Spend enough  
to learn  
quickly**



Questions