Directive

The Verdict

Benchmark Report for
The Top Channels + Tactics

2024 Paid Media Insights

CTR
CPC
CPM

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INTRODUCTION

Benchmarks support B2B marketers as they craft engaging campaigns to drive their growth model and hit higher AOVs.

The paid media landscape is always changing — but 2023 saw even more challenges that often put SaaS marketers in a tough spot. With rising costs, it gets harder and harder to meet margins and pick the right tactics that "work" for your brand — especially for your growth model. And pair that with the need to bring in higher AOVs (average order values).

That's where The Verdict comes in to save the day.

Get insights from two of the largest paid media platforms (Google and LinkedIn) based on tens of millions in ad spend by B2B SaaS brands to achieve conversion metrics across all tech sectors.

As you look ahead to 2024, you can help foster success for your SaaS business with data-backed trends, campaign results, and benchmarks powering your paid media strategy.

That's why the latest edition of our Verdict report dives into comprehensive benchmark data broken down in ways that are meaningful to your business's growth.

See what tactics actually work for your growth model in both LinkedIn and Google, and check out the cost associated with the AOV range your sales leaders want to hit.

DATA METHODOLOGY: Client data is pulled from the various platforms using Funnel.io. The raw data is normalized in Funnel.io. From Funnel.io, the data is then exported to our benchmark library database where labels are layered on. This report includes the following labels:

➤ Tactic
➤ AOV Range
➤ Growth Model

Tactic labels are assigned based on campaign naming conventions (ex. If campaign name contains retargeting, remarketing, or rmk then label Retargeting).

AOV Range labels are assigned based on the financial information we receive from clients.

Growth Model labels are assigned based on the SaaS sales model of clients.

Benchmark calculations are made on the aggregated data of each segment (ex. Channel + Tactic + AOV Range).

Outliers are identified and removed using the Tukey method.

In order to provide the most statistically significant data for each segment, we applied additional filtering to only include sample sizes greater than 2 and >=$100,000 spend.

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A Closer Look at Google Campaign Performance

Earning high engagement comes at a high price.

As one of the leading paid media platforms, Google is an essential part of every marketer's toolkit, offering incredible reach. But increased competition in the digital landscape inevitably leads to higher costs.

Therefore, SaaS marketers need to carefully tailor their paid search strategies to drive engagement across a variety of campaign types like brand campaigns, non-brand campaigns, and competitor campaigns, so they can safeguard their margins and optimize their ROI.

It's not about bidding on every keyword, but in strategically selecting the right ones that align best with your brand.
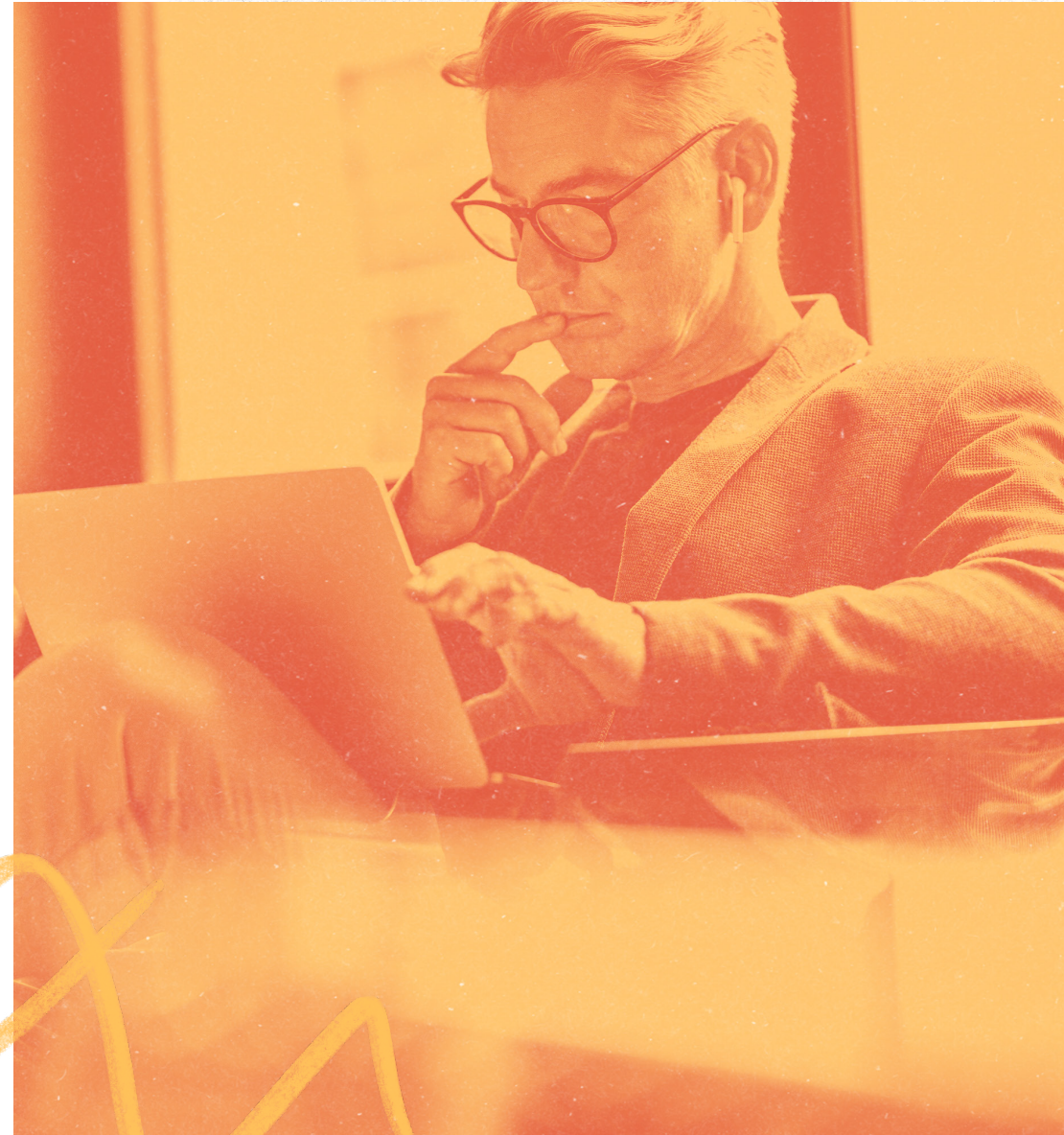
A CLOSER LOOK AT GOOGLE CAMPAIGN PERFORMANCES

Google Ads Branded Search

Brand campaigns are one of the lowest hanging fruits in Google ads.

They're often used as brand defense against competitors, but can be a great way to test messaging with unique landing pages.

Brand campaigns are known for higher engagement and conversions, but are they worth the cost for SaaS companies?

Sales-Led versus Product-Led Growth Model

Be prepared to spend more on brand campaigns if you are a Sales-Led organization: +212% more to be exact.

If you're thinking that's a lot, it is, but it makes sense. You rely on net new sales rather than your product as the "sales" experience. A free trial or subscription offer on an ad is so much more enticing than having to attend a demo or meet with Sales to experience the product before you can even decide if you want to buy it.

Sales-Led model companies can take notes from Product-Led in this case, and try to make their offer as enticing and user-friendly as possible.

AOV Range

Since brand campaigns are meant for visibility on searches made by people already aware of your brand name, you would think the Cost/Conv. is lower. Think again.

The average Cost/Conv. for a SaaS brand campaign is over $236.51.

That's almost as much as a LinkedIn Lead Gen Form campaign where you **can** layer on firmographic targeting as well as ensure the potential view is by someone that's within your TAM.

GROWTH MODEL PERFORMANCE BENCHMARKS FOR GOOGLE ADS BRANDED SEARCH

Growth Model	CPC	Cost / Conv	CTR	Conversion rate	Spend
Product-Led	$4.28	$87.40	14.75%	5.26%	$690,375
Sales-Led	$14.25	$272.67	19.30%	1.50%	$9,468,681

AOV RANGE PERFORMANCE BENCHMARKS FOR GOOGLE ADS BRANDED SEARCH

AOV Range	CPC	Cost / Conv	CTR	Conversion rate	Spend
$0-$1K	$2.80	$150.30	30.50%	1.56%	$310,002
$1-$10K	$6.55	$239.76	19.44%	2.04%	$3,592,611
$10-$50K	$5.38	$281.71	18.52%	2.09%	$3,973,090
$50-$100K	$3.33	$165.19	21.46%	2.32%	$792,341
$100-$500K	$4.35	$279.36	6.66%	1.29%	$344,110
$500K+	$2.38	$201.33	17.06%	1.38%	$717,865

THE BOTTOM LINE

If competitors aren't bidding on your organization's name and you're already ranking first organically, you might want to consider if your ad budget might be better allocated elsewhere.

A great test would be to see if the 1+1=3 theory holds true for your brand name; do you incrementally get additional pipeline by appearing in the top 3 ad positions and ranking organically in the 1st position?

Or are you able to still maintain that volume by ranking organically in the 1st position without paying any money at all?

A CLOSER LOOK AT GOOGLE CAMPAIGN PERFORMANCES

Google Ads Non-Branded Search

Shockingly, the conversion rate for Non-Brand campaigns is almost as high as it is for brand campaigns: 1.25% average compared to 1.54%.

However, you'll be paying 74% more per conversion, averaging $410.88. It's important to keep in mind that high-intent keywords typically have higher costs, but they also generate quality volume in return.

Don't let the high cost scare you off from bidding on keywords closely aligned with your ICP. View it as an investment to reach and engage with your target audience effectively.

Sales-Led versus Product-Led Growth Model

Just like with brand campaigns, Product-Led beats out Sales-Led in terms of Cost/Conv.: You'll be paying 77% more per conversion if you have a Sales-Led growth model.

The good news for Sales-Led is you'll at least have a higher conversion rate at an average of 1.53% (compared to 0.95%).

AOV Range

Cost/Conv. spans from $150.04 all the way up to $672.90. AOVs ranging from $50K-$500K are the sweet spot for lower Cost/Conv. (under $301) and CPCs (between $7-$8).

If your AOV range is above $500K+ or less than $50K, you should really choose your keyword sets carefully, since costs can double compared to $50K-$500K. You'll want to narrow down to high intent keywords with modifiers to help searchers self qualify.

You'll also want to leverage offline conversion tracking (OCT) for post-conversion insights to help your team maximize efficiency and optimize your pipeline — and revenue.

GROWTH MODEL PERFORMANCE BENCHMARKS FOR GOOGLE ADS NON-BRANDED SEARCH

Growth Model	CPC	Cost / Conv	CTR	Conversion rate	Spend
Product-Led	$2.68	$253.83	6.61%	0.95%	$1,604,662
Sales-Led	$10.13	$448.89	4.75%	1.53%	$22,064,581

AOV RANGE PERFORMANCE BENCHMARKS FOR GOOGLE ADS NON-BRANDED SEARCH

AOV Range	CPC	Cost / Conv	CTR	Conversion rate	Spend
$0-$1K	$15.30	$448.89	5.42%	1.93%	$1,668,612
$1-$10K	$6.49	$392.59	5.09%	0.81%	$5,568,981
$10-$50K	$12.99	$672.90	4.65%	1.53%	$8,928,079
$50-$100K	$8.29	$150.04	6.05%	2.65%	$1,624,969
$100-$500K	$7.01	$301.91	4.93%	1.04%	$1,382,997
$500K+	$5.78	$597.37	4.60%	0.86%	$3,101,879

THE BOTTOM LINE

Non-brand keywords bring in people who are actively researching or looking to purchase your product. They've clearly shown search intent. However, without the ability to refine your targeting, it's important to be mindful of potential misalignment with your ICP/TAM and higher costs.

So then is using Google Ads for non-brand keywords worth it?

Creating a highly vetted and high intent keyword list paired with OCT is key. You need to train Google's algorithm to work for you, and it can't do that unless it knows what's bringing in what you care about most: customers.

A CLOSER LOOK AT GOOGLE CAMPAIGN PERFORMANCES

Google Ads Competitor Search

Overall, competitor campaigns are the most expensive type of campaign on Google Ads. The truth is this: Not every company can, or should, run competitor campaigns. This is because some competitor keywords may not have clear intent, leading to further complications down the road. But despite a less enticing performance, the results suggest that you can still glean optimal engagement from your audience — if deployed correctly.

When designing your competitor campaign, consider ways to highlight your organization's value proposition, address pain points, and supersede your competition.

Sales-Led versus Product-Led Growth Model

Out of the over $47 million our clients have spent on Google Ads, few who use a Product-Led growth model have run a competitor campaign (so small it wasn't even statistically significant). Why spend to show ads on competitor's keywords when you can let your free trial do the talking?

Even though CTR and conversion rates are high for Sales-Led growth models using this tactic, so are Cost/Conv. at $843.44.

AOV Range

Only AOVs under $100K with Sales-Led growth models have run competitor campaigns, and they average a $872.95 Cost/Conv.

Even with CTRs above 2%, it's challenging and costly to sway someone already familiar with another brand in the consideration or buying phase.

GROWTH MODEL PERFORMANCE BENCHMARKS FOR GOOGLE ADS COMPETITOR SEARCH

Growth Model	CPC	Cost / Conv	CTR	Conversion rate	Spend
Sales-Led	$14.27	$843.44	2.44%	1.69%	$2.679.829

AOV RANGE PERFORMANCE BENCHMARKS FOR GOOGLE ADS COMPETITOR SEARCH

AOV Range	CPC	Cost / Conv	CTR	Conversion rate	Spend
$0-$1K	$15.60	$409.84	3.53%	4.26%	$336,951
$1-$10K	$15.23	$1,034.18	3.12%	0.83%	$836,527
$10-$50K	$14.27	$929.11	2.43%	2.96%	$1,222,051
$50-$100K	$21.86	$1,291.69	2.04%	1.69%	$101,879

THE BOTTOM LINE

Competitor campaigns have a time and a place. If you don't have a team to create dedicated landing pages showcasing brand comparison and the budget to sustain it, skip this tactic.

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Chapter Two · Chapter Two

Leveraging Retargeting on Google and LinkedIn

LEVERAGING RETARGETING ON GOOGLE AND LINKEDIN

Driving audiences showing intent down the funnel.

Retargeting is a must have for any healthy marketing strategy. Understanding where it fits in your overall plan and creating intent-driven retargeting audiences is key.

Retargeting the entire website might not be the best move, but high-intent pages (like pricing) or actions (like watching a demo video) are worth nurturing because they've shown you they are in the research phase of their buyer's journey.

Just as important are the ads. If they've looked at pricing already, maybe they'll be convinced by a case study or gift card offer rather than your latest blog about the top ten ads of all time.

LEVERAGING RETARGETING ON GOOGLE AND LINKEDIN

Google Ads & LinkedIn Ads Retargeting

Your retargeting strategy will vary drastically between Google and LinkedIn.

For LinkedIn, you can use in-platform interactions: company page visits, conversation ads, documents, lead gen forms opens or submits, image interactions, video views as well as website visits. Layering these on with your TAM ensures that the retargeting only hits a worthwhile audience.

For Google, you can use website visitors, YouTube users, uploaded customer lists, or an audience built in Google Analytics. Note that you'll need 1,000 active users for it to be big enough to serve.

Utilizing these tactics and focusing on intent is what matters the most - don't just retarget the entire website. For example, exclude the careers page and leads who've already submitted forms to narrow down the audience to the people you want to take action.

Channels	CPC	CPM	Cost / Conv	CTR	Conv. Rate	Spend
LinkedIn	$3.54	$71.67	$384.07	0.95%	1.02%	$819,527.89
Google	$1.32	$7.73	$212.72	0.48%	0.88%	$650,670.86

CHANNEL PERFORMANCE BENCHMARKS FOR GOOGLE ADS & LINKEDIN ADS RETARGETING

THE BOTTOM LINE

Retargeting always needs to be a piece of the pie but if you are looking for performance, focus it on LinkedIn.

Retargeting on Google Display Network might be cheap to get clicks and impressions, but it's not going to get you much else.

LinkedIn Ads - Sponsored Content

A higher Cost/Conv. and CPC are expected for LinkedIn, but we also saw the highest CTR for all LinkedIn tactics and a Conv. rate exceeding 1%.

Google Ads - Display Network

We saw a lower CPC and Cost/Conv. for Google, but it had the lowest CTR and Conv. rate of all the Google tactics.

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Chapter Three Chapter Three

Targeting Tactics That Drove Engagement on LinkedIn

TARGETING TACTICS THAT DROVE ENGAGEMENT ON LINKEDIN

Impactful campaigns that resonate with engaged audiences.

LinkedIn drives strong engagement and revenue when campaigns are focused and tailored to specific audiences. In 2023, marketers used this to their advantage, leveraging campaign tactics that justified higher advertising costs.

LinkedIn Conversation Ads

Conversation ads effectively connect you to buyers on a personal level by delivering messages directly to their inboxes.

Marketers use these campaigns for top-of-funnel and bottom-of-funnel engagement and typically see strong results.

Sales-Led versus Product-Led Growth Model

Again, mainly Sales-Led growth models are using conversation ads, but it's not cheap.

Averaging a $1.61 Cost Per Open and a 48.15% open rate, it's expensive to get someone to even open your message. It's even more expensive to get them to convert.

This means your Sales team needs to be prepared to handle these leads appropriately when they submit the form.

AOV Range

Cost/Conv. vary greatly here, and are dependent on both the sales teams performance and your conversation ads targeting set up.

While the average Cost/Conv. is closer to $400, AOVs that are $500K+ can see closer to $700 Cost/Conv., whereas $100K-$500K saw the lowest Cost/Conv. at $339.56.

GROWTH MODEL PERFORMANCE BENCHMARKS FOR LINKEDIN CONVERSATION ADS

Growth Model	Cost / Open	Cost / Conv	Open Rate	Conversion Rate	Spend
Sales-Led	$1.61	$453.15	48.15%	0.44%	$1,916,519

AOV RANGE PERFORMANCE BENCHMARKS FOR LINKEDIN CONVERSATION ADS

AOV Range	Cost / Open	Cost / Conv	Open Rate	Conversion Rate	Spend
$1K-$10K	$1.61	$484.54	58.11%	0.30%	$429,810
$10K-$50K	$1.10	$402.72	52.99%	0.41%	$413,452
$50K-$100K	$1.28	-	45.66%	-	$108,708
$100K-$500K	$1.33	$339.56	48.90%	0.54%	$198,762
$500K+	$2.82	$687.16	47.62%	0.41%	$191,780

THE BOTTOM LINE

Take the time to set up your conversation ad campaigns the right way; otherwise they will be a costly failure.

Segment down campaigns so the messaging feels personalized to the receiver, narrow down the job titles paired with an uploaded TAM company list (that has been manually verified), exclude irrelevant job titles, and test the user flow to ensure the process is seamless.

These leads are likely attracted by the offer — so if you used a gift card to entice them to come to the meeting, sales must work hard to convert them from apathy into a buyer.

TARGETING TACTICS THAT DROVE ENGAGEMENT ON LINKEDIN

LinkedIn Sponsored Content Ads

With sponsored content, marketers stand to boost engagement and awareness with niche audiences in-feed, alongside a trusted industry voice.

The focused nature of LinkedIn makes the platform a strong candidate for this type of paid media — but it is the most expensive tactic in paid media, except for competitor campaigns.

Sales-Led versus Product-Led Growth Model

Again, mainly Sales-Led growth models are using Sponsored Content as a tactic, resulting in a cost of $598.98 per conversion. This is going to be the most expensive play you run on LinkedIn.

AOV Range

We saw a majority of AOV ranges spending under $500K running sponsored content ads ($50K-$100K and $500K were statistically insignificant), but the overall consensus is it's expensive to run and you shouldn't expect to exceed a conversion rate of 1.74%.

Despite not having the highest conversion rate among LinkedIn tactics, sponsored content still delivers engagement, awareness, and conversions, making it a viable option for your marketing strategy.

GROWTH MODEL PERFORMANCE BENCHMARKS FOR LINKEDIN SPONSORED CONTENT ADS					
Growth Model	Cost / Open	Cost / Conv	Open Rate	Conversion Rate	Spend
Sales-Led	$11.07	$598.98	0.57%	1.08%	$4,274,743

AOV RANGE PERFORMANCE BENCHMARKS FOR LINKEDIN SPONSORED CONTENT ADS					
AOV Range	Cost / Open	Cost / Conv	Open Rate	Conversion Rate	Spend
$1K-$10K	$17.59	-	0.56%	-	$413,335
$10K-$50K	$16.09	$604.00	1.28%	1.74%	$506,799
$100K-$500K	$10.28	$2,469.37	0.56%	0.26%	$172,603

THE BOTTOM LINE

Sponsored Content plays will get you results, but they are expensive.

The best way to run these campaigns is pairing them with other campaigns, such as running them parallel to or as a funnel leading to conversation ad campaigns. This warms up your audience before receiving a message in their inbox, improving their overall performance.

TARGETING TACTICS THAT DROVE ENGAGEMENT ON LINKEDIN

LinkedIn Lead Gen Forms

Lead gen forms are the perfect complement to sponsored content and conversation ads on LinkedIn, thanks to their seamless information collecting capabilities. This makes it an effective campaign type for driving conversions efficiently.

Time and time again, lead gen form conversion rates surpass website conversions — and with the right targeting and offer, post-conversion success can follow.

This is due to the field auto-population of LinkedIn data and because lead gen forms don't drive users away from the platform. Less friction equals a happy user that's more likely going to stick around for your sales team to talk to.

GROWTH MODEL PERFORMANCE BENCHMARKS FOR LINKEDIN LEAD GEN FORMS

Growth Model	Cost / Open	Cost / Conv	Open Rate	Conversion Rate	Spend
Sales-Led	$11.42	$328.85	0.59%	2.52%	$4,753,910

AOV RANGE PERFORMANCE BENCHMARKS FOR LINKEDIN LEAD GEN FORMS

AOV Range	Cost / Open	Cost / Conv	Open Rate	Conversion Rate	Spend
$1K-$10K	$4.78	$272.54	3.23%	1.54%	$716,861
$10K-$50K	$16.92	$798.65	0.63%	1.40%	$365,383
$50K-$100K	$16.81	$1,000.00	0.56%	1.19%	$104,183
$100K-$500K	$7.51	$250.38	0.88%	2.35%	$215,178
$500K+	$15.73	$384.15	0.72%	5.50%	$2,572,883

Sales-Led versus Product-Led Growth Model

Again, mainly Sales-Led growth models are using lead gen forms because they are the ones also doing sponsored content and conversation ads. With a 2.52% Conv. Rate, why wouldn't they?

AOV Range

AOVs higher than $100K see the highest conversion rates (above 2.35%) and fare on the lower end for Cost/Conv. AOVs lower than $100K stay under 1.54% for their conversion rates and saw a higher cost per conversion.

THE BOTTOM LINE

When in doubt, use a lead gen form.

Always put yourself in the shoes of your user and test out the flow. Would you want to leave the platform you were browsing to fill out a form? Probably not. Your users likely feel the same.

So if you need to gate something (we won't get into the great gated versus ungated debate right now) default to using a lead gen form, especially if you have a higher AOV.

The Verdict on Paid Media in 2024.

So what does this mean for SaaS marketers in 2024? Looking at the data, there are several takeaways that can potentially help you shape a successful paid media strategy that performs well for your growth model or AOV range — and drives conversions for your business. Let's break it down.

Quality tactics will cost you more.

Tactics that produce quality leads that move through the funnel into closed won deals will cost you more. And it's due to the targeting.

Because you can narrow down your audience to as few as 300 member accounts on LinkedIn, it immediately increases the cost. The more personalization you can layer on (hello, conversation ads), the more you'll have to pay to deliver your ads.

But the good part is, you know you're reaching the right person with the right messaging. The value of that personalization is worth the money.

Consider a mix of paid search & paid social strategies.

Conversion rates vary by tactic in both Google and LinkedIn. Having the right mix of both will drive continued success. Ultimately though, it's what works the best for your brand, your TAM, and your sales team's workflow.

That means you should always test a tactic before deciding it "doesn't work." They said gift card ads don't work — and we closed over $4 million dollars in ARR in 2023 using it for ourselves!

Test tactics. Analyze the results. Build on your findings. Then test it again.

Think about scaling your TAM to higher AOVs.

Many tactics towards higher AOVs boast high conversion rates and low Cost/Conv. If you're not considering going after higher AOV accounts, you should be. And if you're not sure where to start — that's where Directive comes in.

Using our Customer Generation methodology, we help SaaS marketers grow their company, bring in new customers, and reach revenue goals.

Your rising growth goals won't wait, so why should you? Kickstart your success by getting started with Directive today.

Ready to see results?

BOOK YOUR INTRO CALL TODAY

At directiveconsulting.com/discovery-call

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