



# Channel Expansion

Nextdoor Drives Low CPAs in  
Demographic-Specific Campaigns

## CLIENT

A online service platform for the childcare industry.

## CHALLENGE

The 3Q team was tasked with ramping up the client's lead acquisition through digital marketing channels. From recent SEM campaigns that we'd run, it was clear that the use of hyper-localization in the client's marketing efforts was crucial for success. In order to target a new audience, while maintaining a specific geo-demographic, the team turned to Nextdoor.

Nextdoor is a free, private social network for neighborhood communities. 80% of Nextdoor's user base is families with young children, which fit well within the client's main demographic.

## SOLUTION

Because of 3Q's partnership with Nextdoor, the client was one of Nextdoor's first advertisers to utilize their "Flex Product," an advertising add-on that each day provided us with the option of purchasing any leftover inventory on the site, using a set CPM buying model, to promote the client's Sponsored Posts. Because this was a new product,

and it was the client's first attempt at advertising with Nextdoor, we ran several tests to find the right mix of spend, geos, and campaign length. Mosts tests were run in 12 designated marketing areas (DMAs) because the client's service isn't currently nationwide.

## RESULTS

Though results varied between tests, the overall results for each beat the client's KPIs. The various campaigns reached a CVR as high as 21% and a CPA as low as \$21 - a few thousand CPAs came in as low as \$7, which is less than their average CPA on SEM (historically, the client's lowest-cost channel). One of the best aspects of the results we saw was the incrementality factor - our analysis of the first test showed that 83% of website sessions sourced through the Nextdoor ad campaign were brand-new site visitors.

The tests yielded several useful learnings for the platform, such as that creative should be updated every 3 weeks, or else DMAs should be altered (to protect against creative fatigue and DMA overexposure). Overall, Nextdoor proved itself to be a valuable source of new users, and client usage of the platform has continued with a higher budget and refreshed creative.

# TESTS

Nextdoor Test #1 Results				
Duration	Number of DMAs	CTR	CVR	CPA
21 days	12	0.21%	21%	\$21

Nextdoor Test #2 Results				
Duration	Number of DMAs	CTR	CVR	CPA
21 days	12	0.17%	18%	\$36

Nextdoor Test #3 Results				
Duration	Number of DMAs	CTR	CVR	CPA
21 days	17	0.22%	15%	\$32

Nextdoor Test #4 Results				
Duration	Number of DMAs	CTR	CVR	CPA
21 days	12	0.21%	14%	\$44



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