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Gavin: Hello. Welcome back to Ad Lab. Thanks for joining us again this week. We've got another great episode lined up for you. I'm your host, Gavin Flynn. And for this week's deep dive, we are going to be joined by Strategic Partner Account Manager at CallRail, James O'Neill, breaking down how call tracking, AI, and attribution are transforming the way businesses measure marketing performance. But first, we're going to kick things off with this week's headline. And this week I'm going to be joined again by Ryan Garo, my co-host. Welcome, Ryan. Hot headline.

Ryan: Thanks, Gavin.

Gavin: Let's dive into it. So we're talking AI Max today, and you brought in some interesting news that's going to be on the headline for later this fall in September.

Ryan: Our good buddy, a dear old friend DSA, is going to be passing on into the Google Graveyard.

Gavin: RIP to DSA as we shall mourn with.

Ryan: Some mourn yet another Google acronym, DSA or Dynamic Search Ads, where Google scrapes the pages that you want it to show on and finds keywords that are appropriate for that, and then creates text ads for it.

Gavin: I mean, we used them a ton, but first, let's tell the people what they're doing. What's the move here? What's Google going to be doing?

Ryan: Google is replacing DSA with AI Max and we've seen it in the tea leaves for a while. It shouldn't surprise anybody, but it's always painful when it happens. It's a lot of work that we have to put into it in research to understand what it's doing to prepare our clients for this change. It's going to be very easy to go on to Google and say, "I want you to advertise my website, spend 500, 100—doesn't matter—per month, per day," and Google will spend the money.

And I got a lot of phenomenal signals. So the AI Max is using some really cool technology. Can't deny the stuff we've seen inside of it and what it's doing, but it is fundamentally changing how you structure campaigns and how you really capture certain queries that were so valuable within the DSA campaigns.

Gavin: This shift is happening in September?

Ryan: It's been in beta for a while. Google has it in beta for a while. They see the data, figure out how they're going to sell it to the public when they get rid of something that we've been using and liking for a while. And then there's a rollout of saying, "Hey, this is the deadline," which is in September. We still haven't gotten an exact date, but there's going to be ways you can manually upgrade things currently and move your DSA to AI Max. And then in September, they're going to flip a switch and it's going to be AI Max DSA and campaigns we're using pure broad match. So there's a setting inside. Most campaigns are using keywords and you select "allow it to use pure broad match." That's going to move to AI Max.

Gavin: It seems like brands should start looking into making this transition sooner rather than later, that you don't want to be on the receiving end of being behind the ball on this, and you end up needing to be forced to switch into a new campaign type. I'm guessing we're going to start to look at kind of a soft launch of getting the campaign type shifted over in the next few months, which I would suggest brands do.

Ryan: You want to understand it and be using it, but you also don't want to give up the benefits you're going to be reaping from a DSA campaign while it's still alive.

Gavin: Yeah, yeah.

Ryan: So, yes, start moving into it. Try to maybe control some of it as you can, but if DSA are performing really well, take it.

Gavin: With this shift happening, what steps would you suggest a brand take to prepare for that switch?

Ryan: Get as much control as you can. And so if you're only running DSA and some P Max, you need to be building out some search campaigns, use some negative keywords to scope things around. And you probably have to be testing your target ROAS goals within search campaigns, P Max, and AI Max because at least initially, we're setting AI campaigns above your search campaigns as target. So if your non-brand target ROAS on search campaigns or on P Max is at 200%, you would set your AI Max at 225%.

Gavin: Yeah.

Ryan: And so force it to try to go down funnel and capture some of that DSA stuff that you can't be capturing with the DSA anymore. It's using signals. It's living in search, but it's also doing some other intent-based things. You're giving it assets to do some display things in the realm of what they're trying to do. The exciting thing for a lot of advertisers, I think, is going to be placements in or around the AI overview.

Gavin: Cool.

Ryan: Everybody's trying to figure out how to monetize AI. Being able to get into that spot is a big deal. Does it make sense? Is it going to work for you? We don't necessarily know. We don't have enough data to go on yet because Google's been speaking in very generalized terms. There's not a lot of specificity.

Gavin: Is it going to happen? Is it not going to happen? How is it going to be rolled out?

Ryan: Where is it going to be in AI? Is it going to get a lot of clicks? What's our click-through? Do we get to see search terms? Questionable on a lot of these things. But I will say historically we've seen advertisers that collect the most data and lean into these things more effectively are going to have some significant advantages, especially over the first six months of that campaign type.

Gavin: Yeah.

Ryan: Because they've got the data. They know how it works. They know where to leverage, to push and pull. What kind of data or inputs are you giving these AI campaigns becomes more and more important. And I think what a lot of companies, especially on the SMB side, are not paying attention to are: what are we feeding these things to get it to do what we want it to do? Just like if we go to any type of AI system, you have to be able to understand how to prompt it to do what you want. So I think there's going to be a lot of things that are going to be going into this. You're going to be looking at your landing pages: what kind of images do you have on there? How are you tagging those images? What's the metadata feeding into the Google bots that are deciding how to show these things?

Gavin: Let's put a pin in this. We'll do some testing internally, we'll get some of the LP brains on it, do some runs for clients and then maybe in 2 or 3 months, maybe give a little "hey, this is what we've learned," because that's what it's going to be at Partner Connect.

Ryan: We can roll that at Connect.

Gavin: Yes, yes. Coming in August, we'll be sharing more information soon. Ryan, thanks for hopping on.

Ryan: Thanks again.

2. Deep Dive Introduction: Meet James O'Neill

Gavin: It's going to be interesting to see what happens with dynamic search ads transitioning to AI Max. We'll check back in here in the next few months. I'm really excited for today's deep dive because we're joined by a great partner of ours, the one and only James O'Neill from CallRail. James is bringing over a decade of experience in account management and customer success to the pod, with the last five years spent at CallRail

helping agencies and brands better understand the impact of their marketing through call tracking and attribution.

In today's episode, we'll be covering the evolution from lead quantity to lead quality, and why so many businesses are still missing critical insights from calls. Importantly, we're also going to be looking at AI-powered voice agents and how they're going to be reshaping the future of customer engagement. Join me. Let's go into the lab. Hello, James, welcome to the lab.

James: I am happy to be here. Why am I nervous about this, by the way?

Gavin: Loosen up. Relax. So actually, a bit of an all-star over there, not only from a tenure standpoint, but I understand that you've been a part of some pretty big projects, not only on the partnership side, but also on the client-facing side. But there's one part of your resume that I needed to highlight. It seems like there's some sort of internal office award that you have dominated over the past few years. What's the name of the award and tell me about it.

James: I wouldn't quite say dominated is the right word. There have been way more frequent winners, but maybe like 3 or 4 years ago, we started doing an award ceremony called the Rallies. So, CallRail, "The Rallies"—sort of off of the Dundies from *The Office*, essentially. So I think I've won like five of the Rallies. I couldn't tell you what category they were for at this point. But I can proudly display—look at this—my Rally trophy. He sits on my shelf behind me, watching me every day. So, super proud of that.

Gavin: Why do you think you're getting awarded so much? Would you chalk this up to personality, easy to work with, or do you think this is really a testament to your tangible, strategic work? Or is it a balance of both?

James: You'd be surprised at what a \$20 gift card could buy you.

Gavin: It's all bribery.

James: Yeah, yeah. But I love what I do. I love getting to work with agencies in particular. And a lot of it is relationship building. I think people have this idea of what sales is and what sales isn't. And I think it all boils down to the relationships you build along the way. And from that, I think just naturally, you see a lot of growth come from those relationships.

3. The Evolution of Call Tracking: Quantity to Quality

Gavin: One thing that I wanted to start with—you've been in the industry now for a long enough time to where you've seen some pretty major changes. And what we're talking about today specifically is call tracking and how businesses use call tracking to inform marketing decisions over the past, let's say, five years. What have the biggest changes been in the call tracking industry? What have you seen that's been a major shift over these last handful of years?

James: I'd say the biggest thing that I've noticed specifically working with agencies the entire time is that there's been a shift in measuring success based on quantity of leads driven to a business to now, the clients that agencies work with are getting much smarter. They have many more tools in their tool chest, so to speak, and they've started to hold agencies to a higher standard with the services they provide.

So it's gone from this shift of the agency saying, "Oh, here's the number of leads that we drove you this month," to it has certainly changed to now: "Okay, thanks, but what is the quality of the leads?" Right. Are these good leads that we're sending to your business? What are the tools that you as the agency can give me or that I can use to help convert these leads?

How do I engage the leads that are coming into my business? A lot of these people are small business owners. They haven't had the official customer service background or the sales background. They're just trying to run a business as best they can. So engaging those leads is super important as well. How do we drive more quality leads to those businesses, and when those leads do come, how do I engage them and convert them as customers? I think that's been the major shift from what I've seen in the industry.

4. The \$100,000 Blind Spot: Missed Call Data

Gavin: What do you think brands still miss out on when it comes to call tracking? Do you think that quality aspect is still the primary thing that's been missed? If you were going to give a message to a small business owner who's looking to drive calls, what's the blind spot that they're most likely to hit in this process?

James: When that phone call comes in, are you paying attention to how your intake specialists are answering the call? Are you making sure that they are following this prescriptive outline on how to answer the call, how to perform, how to close these leads? There's just a lot of information buried within calls that businesses are not necessarily paying attention to. They're just looking at the source or did I book an appointment. They are not necessarily trying to pull out those insights from calls that could really help their businesses grow. And I think that's where there's still a gap.

Gavin: Well, the one that even you, James, have really keyed me into is also missed calls. A lot of business owners don't realize that the advertising efforts they're putting out there are translating to leads, but those leads might not be answered. You were showing me some wild numbers around the percentage of missed calls that some of these businesses have, and that really opened my eyes. Can you speak a little bit to the missed calls aspect of that data?

James: At CallRail, we see on average—the last time I saw the statistics—it was on average 28% of the calls that are coming in to people using CallRail are missed. And when it comes to the actual revenue behind those calls, for a lot of these businesses, it is hundreds of thousands of dollars that they are missing out on, that they just simply can't afford to.

And so, the missed call piece is certainly the number one thing that businesses just aren't paying attention to or that they're not caring enough about, that we are certainly trying to change and that we have started to see change pretty significantly over the last several months.

Gavin: Yeah. And even on the agency side, that matters to us. We want to make sure that the advertising efforts that businesses are putting out there are actually reaching a sales representative to actually close that lead, because if somebody calls a business and they aren't picking up, they're going to a competitor. So it is important for businesses to understand what sort of missed call percentage they actually have within the business.

5. Technical Obstacles: Dynamically Inserted Numbers

Gavin: I also wanted to talk about tracking numbers for a second. One of the most common things that I'll hear from small business owners that are getting into the call tracking game is hesitancy around having a dynamically inserted phone number that will show to users that visit your site via a pay-per-click ad. That's going to be maybe a little bit different than the numbers that they see if they visit the site directly or through an organic listing. What would you tell a small business owner who's expressing hesitancy around having tracking numbers on a website? What would you tell them?

James: I would ask them a question back: When was the last time you saved the number from the business that you just googled? Yeah, it could be the same Mexican restaurant that I always go to on the weekends. I want to place a to-go order, so I don't have their number saved. I just pull open my map, type in who the restaurant is, and then click the call. Right. It's that easy. I'm not saving "Senor Fiesta" in my phone book.

People are not doing that. There are people that do, I fully get that. The beautiful thing about it is that if somebody does save your tracking number to their phone, that tracking number is yours forever. So you can keep that sucker active as long as you want. And as long as that number is active and forwarding into your business, people will always be able to get through. Once you start to talk through, "Look, this is the reality; people are not actually saving these numbers," it's a pretty easy conversation to have and usually you're able to move past that pretty quickly.

Gavin: To add on to what you mentioned there, it's weighing out the importance of data and the importance of tracking and how that feedback loop impacts marketing efforts. Without those tracking numbers, it's really hard to establish quality of lead, cost per lead, and the marketing efforts can oftentimes just fly blind. And business owners need to weigh those two options out. Do you want to run a marketing program with data and with insights in that data, or would you rather fly blind? And usually, we can guess which direction we would recommend for anybody who's looking to scale a marketing effort.

6. The Future: AI Voice Agents and After-Hours Lead Capture

Gavin: I wanted to ask you about the future of call tracking. There's obviously been so many new tools implemented over the past five years, but I wanted to get your vision of if we were to talk again in, let's say, two years, what do you think's on the horizon for the call tracking world?

James: Yeah, I mean, so just the rate of adoption that we've seen with AI voice agents—I would really be surprised if within two years less than 90% of businesses were using some sort of AI agent for their phone calls. I would be shocked. So I think it's so important now to be that early adopter because it gives you such an edge over your competition that is not using a service like that.

There's so many benefits to it. Not only am I able to engage leads that are coming in that I simply would have missed from a phone call before, but the agents are actually having a conversation with this person. And so before, you were relying on these leads to leave you a voicemail that has enough content and information in it for you to make a decision: Do I call this person back or do I not?

Now you've got an entire conversation full of insights that you can pull as an agency or as a business that tells me this lead was actually a good lead. In addition to that, so many businesses don't take advantage of those off-hours advertising times. They stop that advertising at 5:00 because they don't want to spend money on an ad that's going to drive people to their site and place a phone call when they can't actually answer that call.

And so what these AI agents do is enable these businesses to take advantage of those lower cost-per-lead hours. They say that they're open for much longer than they actually are. Have these callers engage with an agent. They benefit from being able to capture and engage with these leads that their competition is not doing. So for people that wait two years or one year to implement something like this, they're going to be behind because their competitor down the street is already going to be doing something like that and their business is going to be thriving. Most businesses are going to have some form of AI agent capable of answering calls.

Gavin: I think the after-hours piece for anybody who really wants to have a personalized selling experience—which I totally get from the client side—think about the calls that come in after hours where you can gain valuable insights even when you aren't open. And I think even the adoption on that side of the equation and early adoption will just be some quick wins for brands—keep that phone line cooking even after store hours.

James: Yeah. If you can use an AI agent to qualify a lead live on the call, the same as a human would, and then book that lead for an appointment or a sale or a meeting of some kind with your staff, those are things that you were not able to do before when your business was closed. And so being able to take advantage of that, that's leading to more sales, that's leading to more engagement with these leads. You're taking advantage of your ad spend if you're driving in more quality leads. There's so many advantages that businesses are missing out on, but we are starting to see really exponential adoption rates with it. It is starting to take off like wildfire.

7. Conclusion and Podcast Outro

Gavin: James, thanks for joining. We'll catch you next time.

James: Glad to be here. Thank you so much. Appreciate you, Gavin. Appreciate Logical Position—you guys are awesome. Appreciate you guys having me.

Gavin: Thanks for tuning in. Don't forget to subscribe on Apple and Spotify. We're also on YouTube. If you want a video format, just visit the Logical Position channel and look for the Ad Lab playlist, and follow us on Instagram at Ad Lab Pod for clips and announcements. We'll see you next week in the lab.