The Evolution of Performance Marketing along the Company Stages

d3con

April 26th 2022

Thuy Ngan Trinh
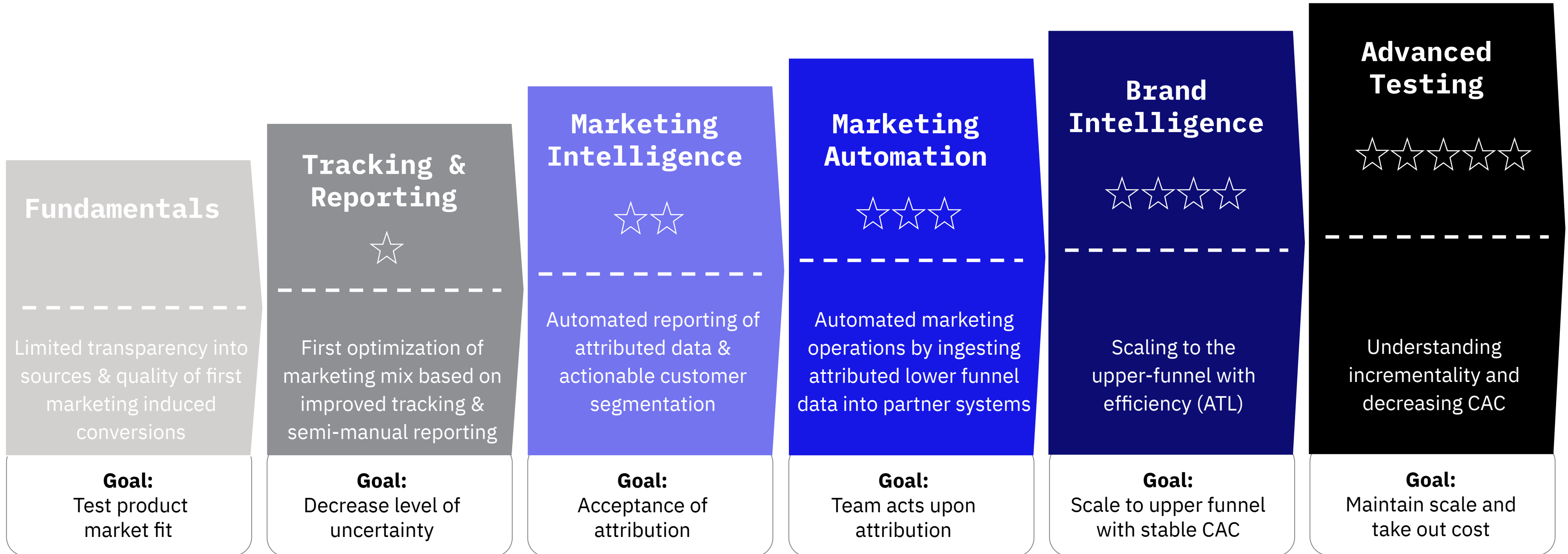
CMO

Project A

Project A

Agenda

Project A

Marketing maturity is achieved step-by-step as companies scale

Marketing sophistication stages (b2c/transactional)

Fundamentals

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Limited transparency into sources & quality of first marketing induced conversions

Goal:
Test product market fit

Tracking & Reporting

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First optimization of marketing mix based on improved tracking & semi-manual reporting

Goal:
Decrease level of uncertainty

Marketing Intelligence

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Automated reporting of attributed data & actionable customer segmentation

Goal:
Acceptance of attribution

Marketing Automation

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Automated marketing operations by ingesting attributed lower funnel data into partner systems

Goal:
Team acts upon attribution

Brand Intelligence

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Scaling to the upper-funnel with efficiency (ATL)

Goal:
Scale to upper funnel with stable CAC

Advanced Testing

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Understanding incrementality and decreasing CAC
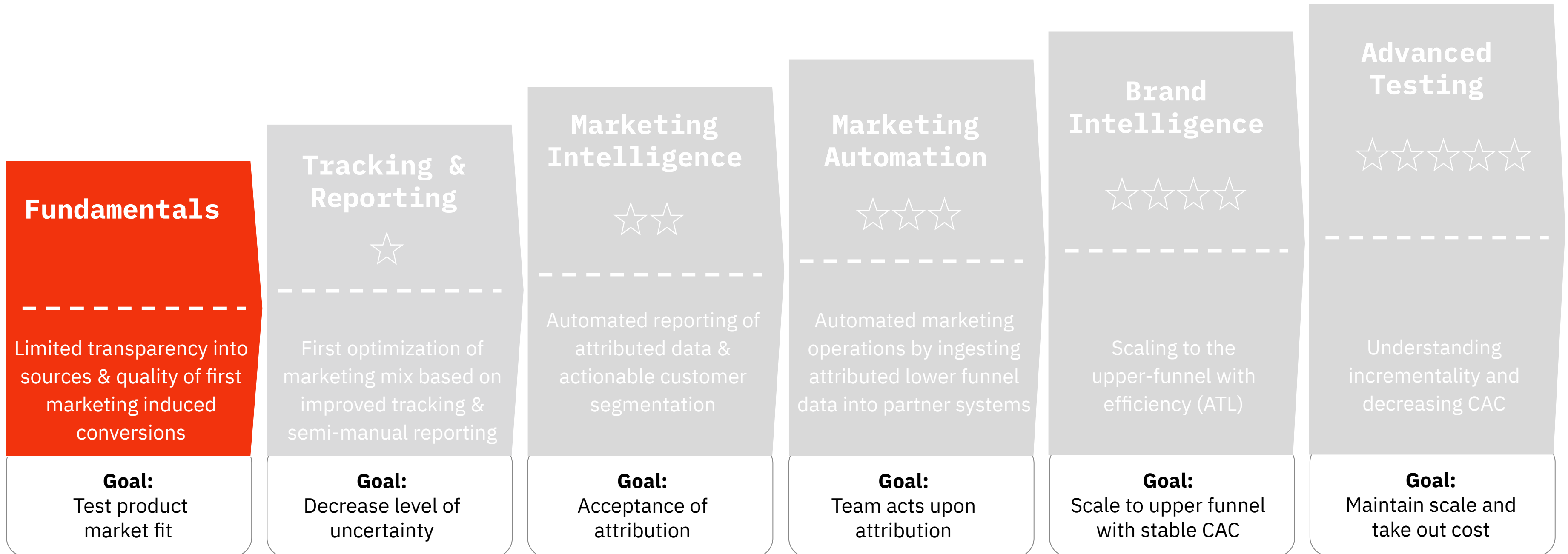
Goal:
Maintain scale and take out cost

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Project A

Product-market-fit increasingly tested with Paid Social

Stage 1: Fundamentals

Analytics

→ Partner pixels set up for conversion tracking
→ Basic Google Analytics setup for web tracking
→ App tracking (via MMPs) implemented
→ Basic native integrations between tools and partners
→ Ad-hoc manual reporting of marketing performance

Customer Acquisition

→ Running first 1-2 channel activities
  – Paid Search to test if there is already demand for your product
  – Paid Social to test if demand can be created for your product
→ Directing traffic mostly to website and app stores
→ Evaluation of initiatives mostly based on partner data
→ Leading metrics supposed to gauge interest: Impressions, clicks & conversions
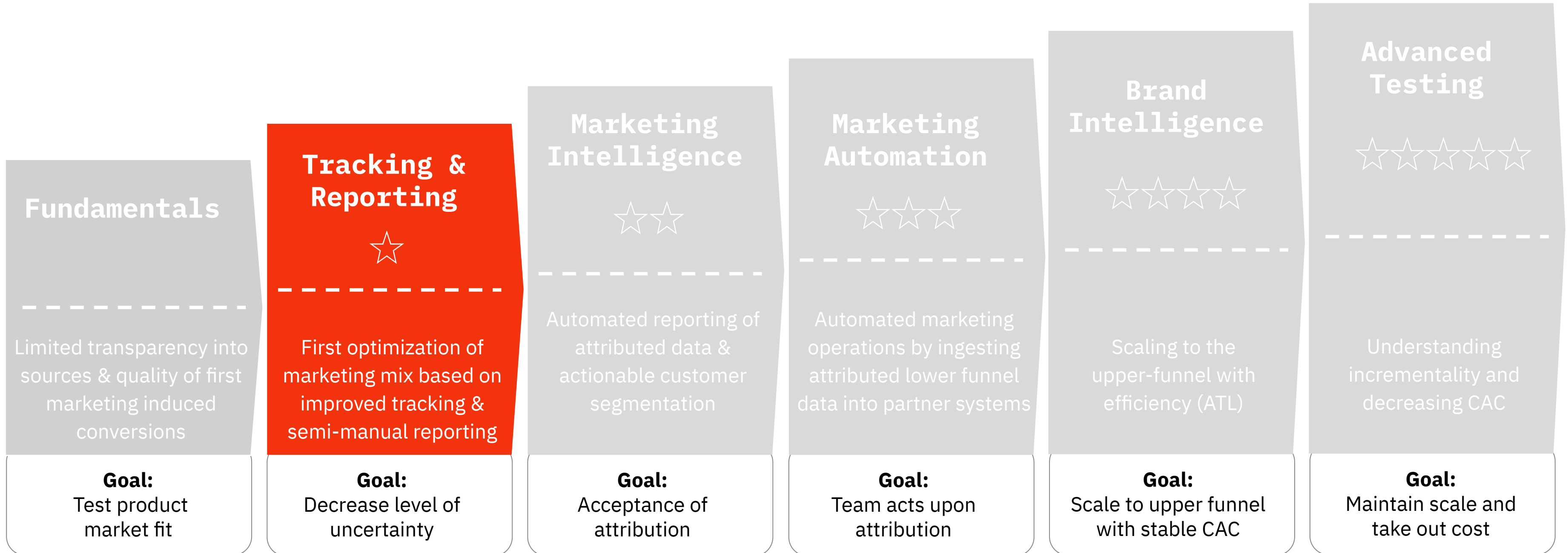
General conditions

Monthly Budget:
<10 kEUR

Team size:
1-2 FTE

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1st attribution vital with more than three active channels

Stage 2: Tracking & Reporting

Analytics

→ Introduction of custom channel grouping in performance marketing
→ Basic tracking setup: consent management, tracking guidelines, Tag Manager
→ Native attribution (Google Analytics, Adjust) for budget allocation & target calculation
→ Semi-automated reporting on costs & partner conversions

Customer Acquisition

→ Increase in marketing mix complexity and diversification
   – Affiliate
   – Display
   – Basic SEO
→ Definition of conversions & micro-conversions
→ Campaign naming convention established
→ Dedicated resources for creative asset creation
→ Customer journey testing with different LPs/conversion paths
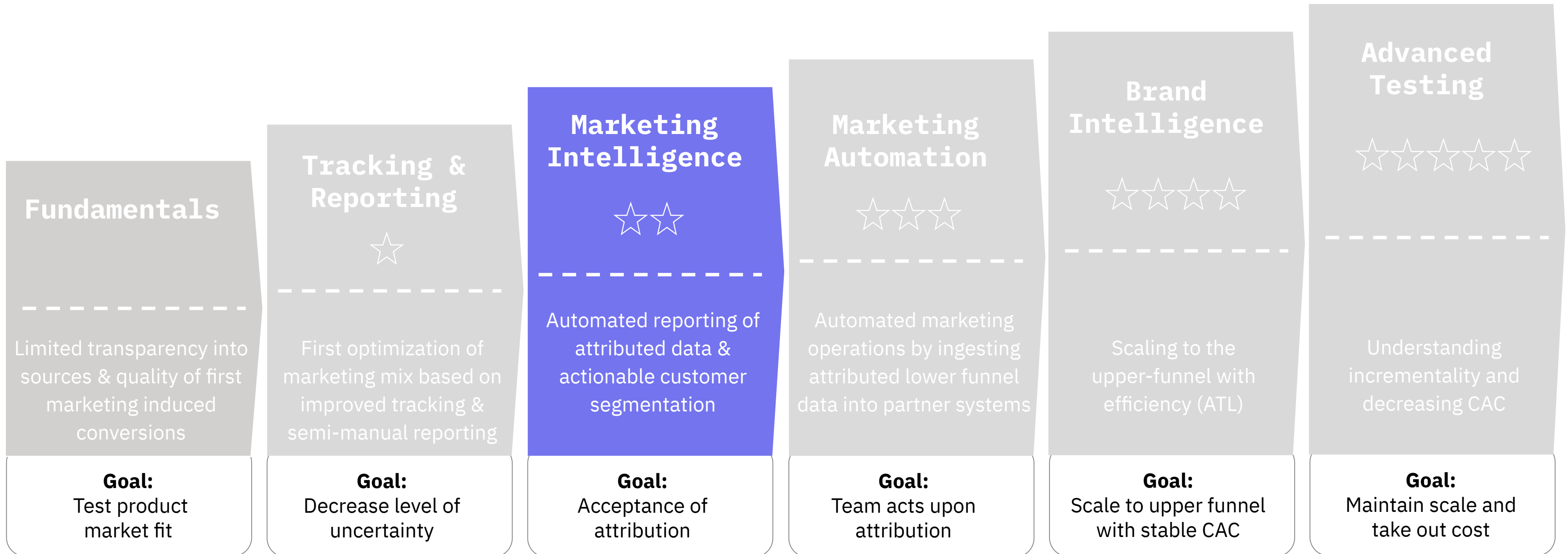
General conditions

Monthly Budget:
50k-100k EUR

Team size:
2-7 FTE

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Multi-touch-attribution to steer performance marketing

Stage 3: Marketing Intelligence

Analytics

→ First multi-touch attribution developed & QA'ed based on own data warehouse
→ Automated central reporting based on attribution, used by performance marketing
→ Increased tracking coverage
  – Cookie consent management improved
  – Server-side tracking implemented to mitigate impact of ad-blocking
  – Exit poll implemented & start collecting data
→ Dedicated Marketing Analysts deal with marketing requests
→ Defined tracking ownership

Customer Acquisition

→ Manual campaign budgeting based on attributed data for lower funnel
→ Growth initiatives evaluated alongside main channels (e.g. Snapchat, TikTok, WeQ)
→ First sophisticated A/B tests within the channels
  – Creative testing concepts
  – Targetings
→ SEO: wider content-portal
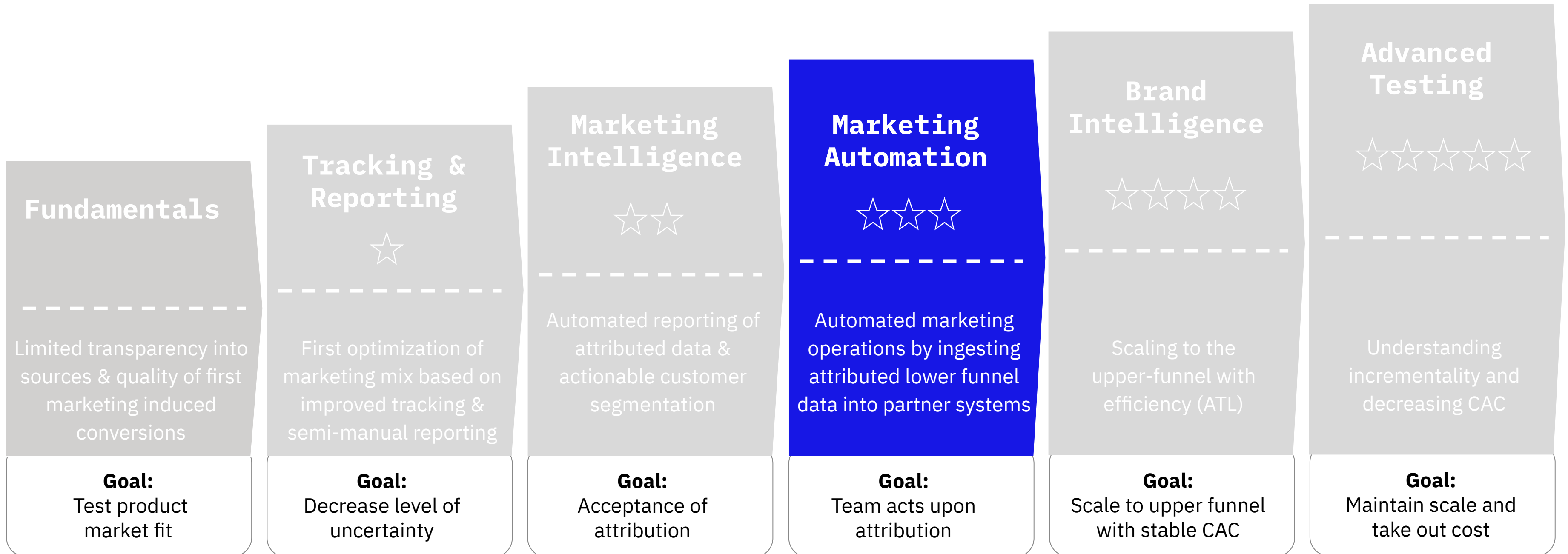
General conditions

Monthly Budget:
100-300k EUR

Team size:
5-15 FTE

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Automation for setup & optimization with attributed data

Stage 4: Marketing Automation

Analytics

→ DWH established as single source-of-truth for reporting
→ Customer lifetime value (LTV) analysis and prediction
→ Feeding back attributed conversions into partner systems
→ Dedicated MarTech resources onboarded to take over marketing automation responsibilities

Customer Acquisition

→ Automated creation of campaigns e.g. via feeds
→ Automated campaign budgeting based on attributed data for lower funnel (integration of bidding tools if partner delivery systems cannot handle attributed data, e.g. Brax, Smartly etc.)
→ Creative testing framework in place
→ Strategy and tooling for dedicated SEO page builder roll-out
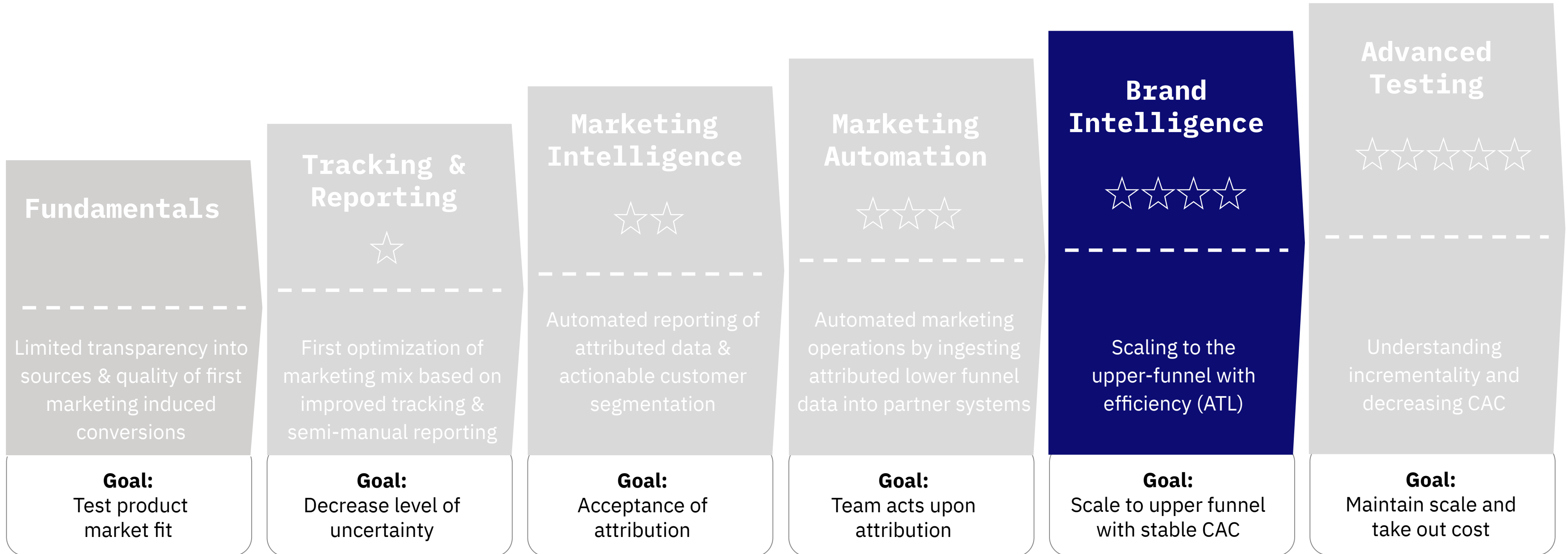
General conditions

Monthly Budget:
300k-1M EUR

Team size:
10-20 FTE

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Project A

Brand efforts increasingly impacts Performance Marketing

Stage 5: Brand Intelligence

Analytics

→ Using Brand tracking & Upper funnel measurement systems for channel evaluations (Exit Poll, TV Tracking, MMM, Brand lift studies via ad networks, Surveys, Brand tracking providers, …)
→ Separation of "global" team responsibilities (central services for local markets)
→ Dedicated analysts per marketing team lead analytical initiatives & tests in collaboration with Business Intelligence)
→ Dedicated MarTech resources with PM in Data team

Customer Acquisition

→ 360 degree brand communication from lower to upper funnel incl. Performance Marketing
→ Scaling ATL activities (e.g. TV, (D)OOH)
→ Upper funnel digital brand campaigns via Youtube, Programmatic, Paid Social
→ Test of celebrity endorsements campaigns
→ Automated LPs depending on ad messaging
→ Influencer collaborations with high follower count
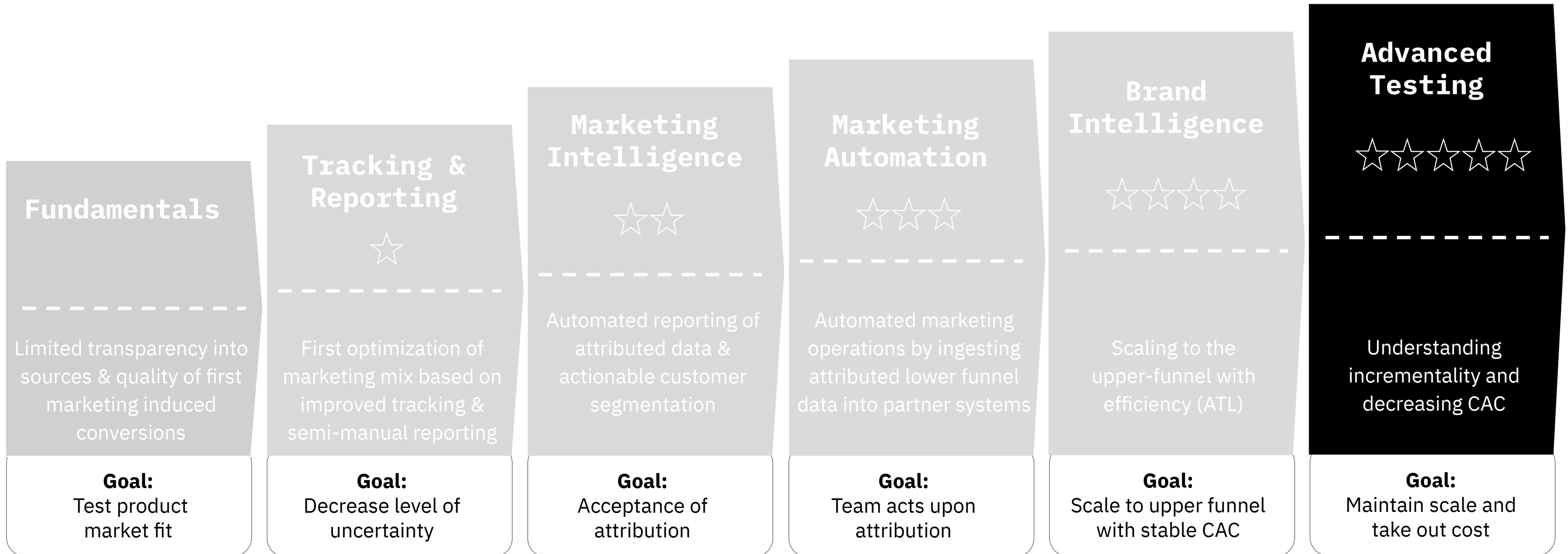
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Monthly Budget:
1 - 3m EUR

Team size:
15-30 FTE

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Project A

Finally the goal is to maintain scale and take out cost

Stage 6: Advanced Testing

Analytics

→ Holistic measurement framework instead of relying solely on one tool:
- – MMM
- – Attribution
- – Experiments
→ First offline geo-testing / incrementality testing to inform attribution model

Acquisition

→ Performance Marketing campaigns fully set up and optimised for incrementality to cut out unnecessary costs as baseline increases with company growth
→ Established Marketing testing frameworks
→ Running incrementality experiments and tests for new strategies prior to global rollout
→ Dedicated MarTech product team to centralise all automation and testing analysis efforts
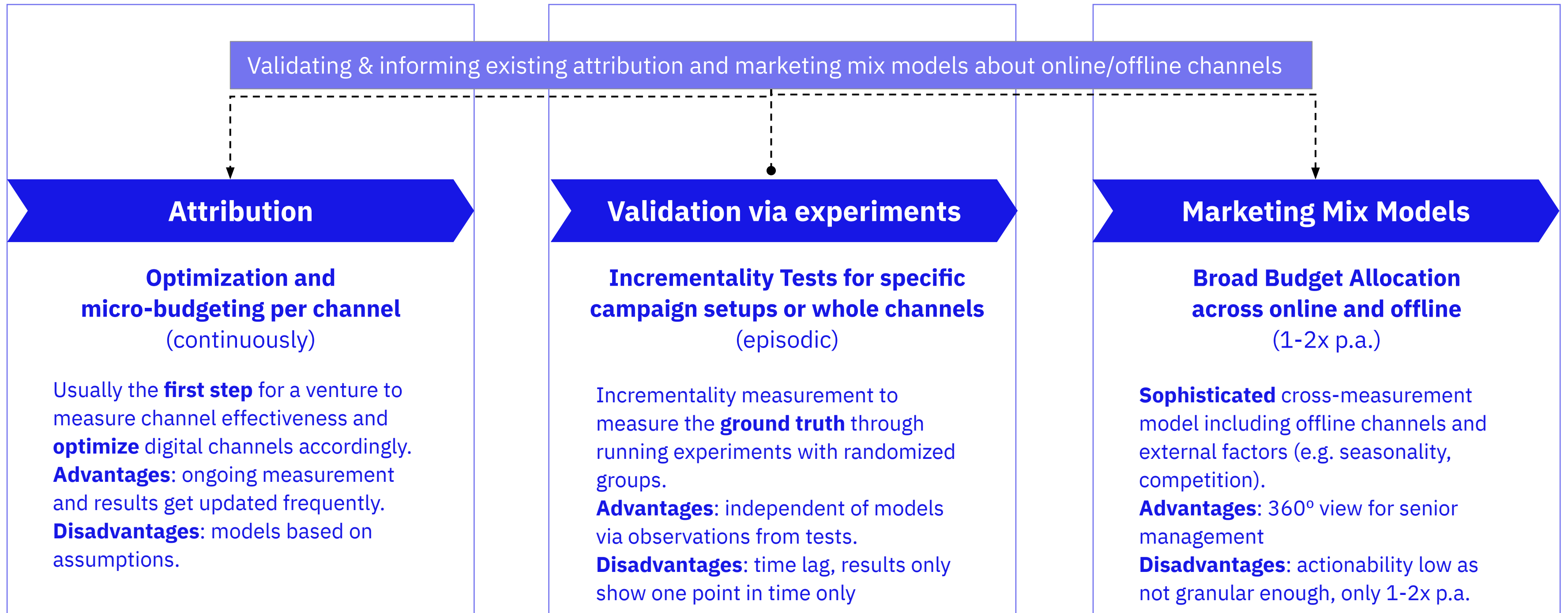→ Creative performance prediction

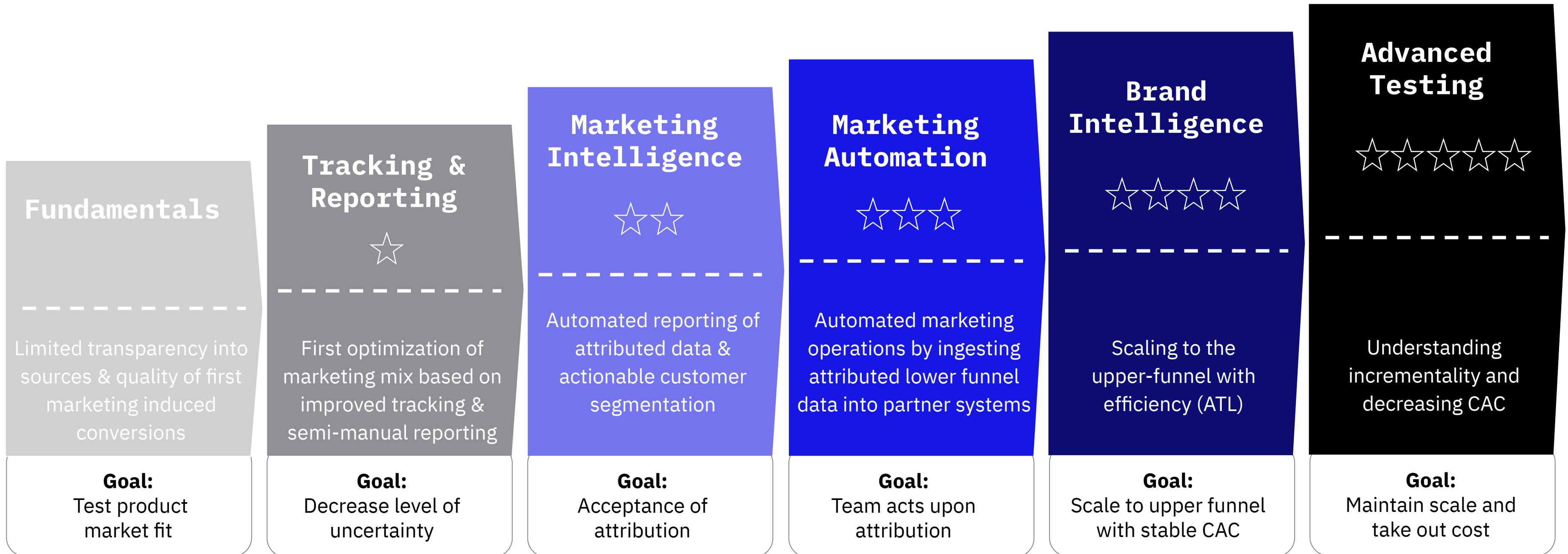## General conditions

Monthly Budget:
3+m EUR

Team size:
25+ FTE

Project A

What is the Ideal Measurement Framework?

Lift tests integration into a holistic measurement approach

Validating & informing existing attribution and marketing mix models about online/offline channels

Attribution

**Optimization and
micro-budgeting per channel**
(continuously)

Usually the **first step** for a venture to measure channel effectiveness and **optimize** digital channels accordingly.
Advantages: ongoing measurement and results get updated frequently.
Disadvantages: models based on assumptions.

Validation via experiments

**Incrementality Tests for specific
campaign setups or whole channels**
(episodic)

Incrementality measurement to measure the **ground truth** through running experiments with randomized groups.
Advantages: independent of models via observations from tests.
Disadvantages: time lag, results only show one point in time only

Marketing Mix Models

**Broad Budget Allocation
across online and offline**
(1-2x p.a.)

Sophisticated cross-measurement model including offline channels and external factors (e.g. seasonality, competition).
Advantages: 360° view for senior management
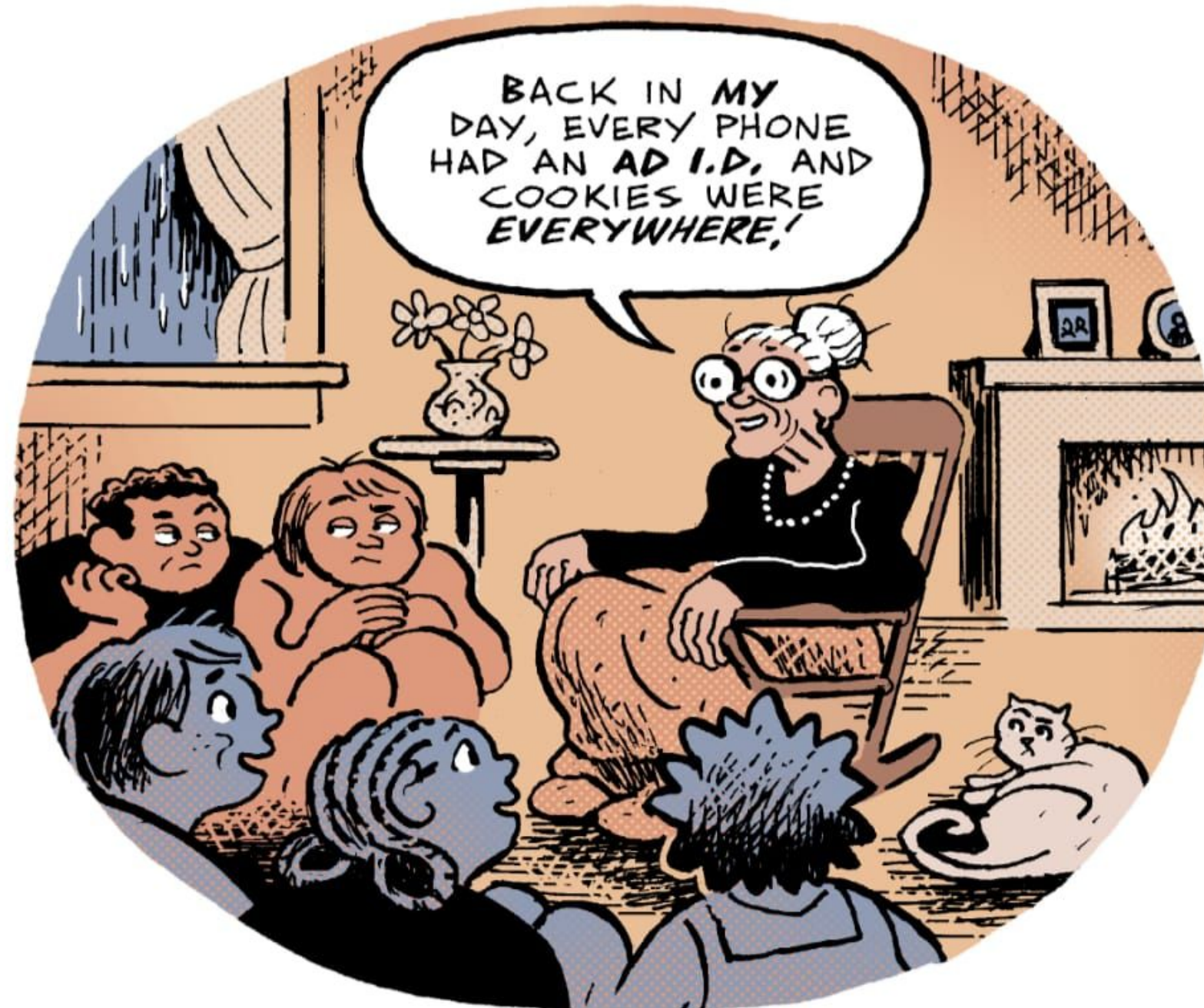**Disadvantages**: actionability low as not granular enough, only 1-2x p.a.

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What's next?

Project A

Performance Marketing is DEAD.

Something To Tell Our Grandkids

Thank you for your time! Any questions?

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CMO

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