



Building a Marketing Tech Stack for Highly Effective Marketing



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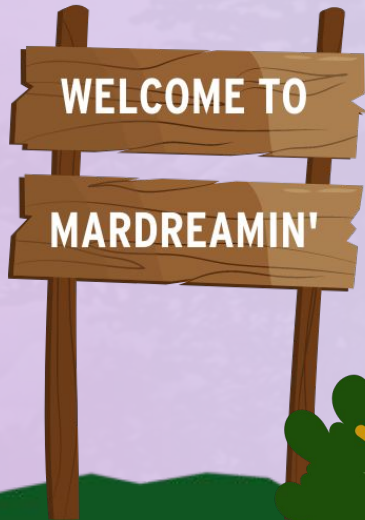
GRIDMATE

THE SPOT
by SERCANTE

FÍONTA

Agenda

- Incrementality and Advertising
- Marketing Stack
- Execution







Advertising

- \$225~ Billion a Year Spent on Google Advertising
- Google Adwords
- What is really driving the sale?



Advertising

- Does not account for the fact that people would buy irrespective of Google Ads
- ROI shrinks under controlled experiment
 - Need to consider incrementality
 - Cost accounting



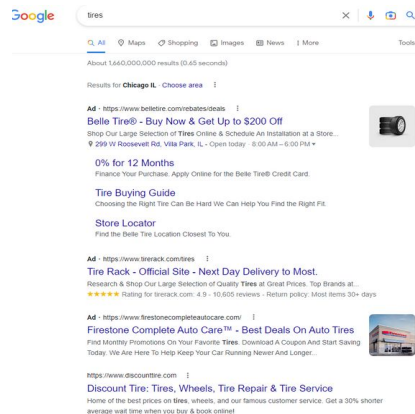
**Focus on what Matters
And Assess the
Right Metrics**



Let's Get More Tactical...

Incremental Digital Ad Effect?

- Was the purchase after ad exposure incremental?
- What is the counterfactual?
 - Would customer have purchased without ad exposure?



Incrementality in Advertising

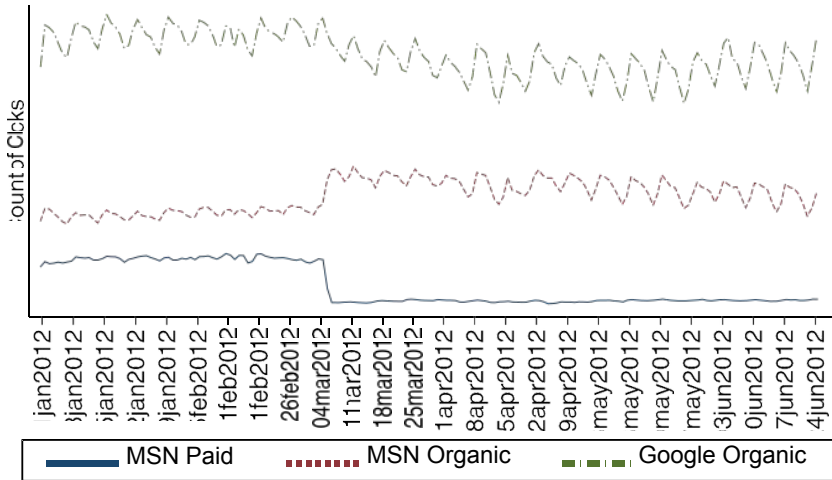
AD

CAMPAIGN

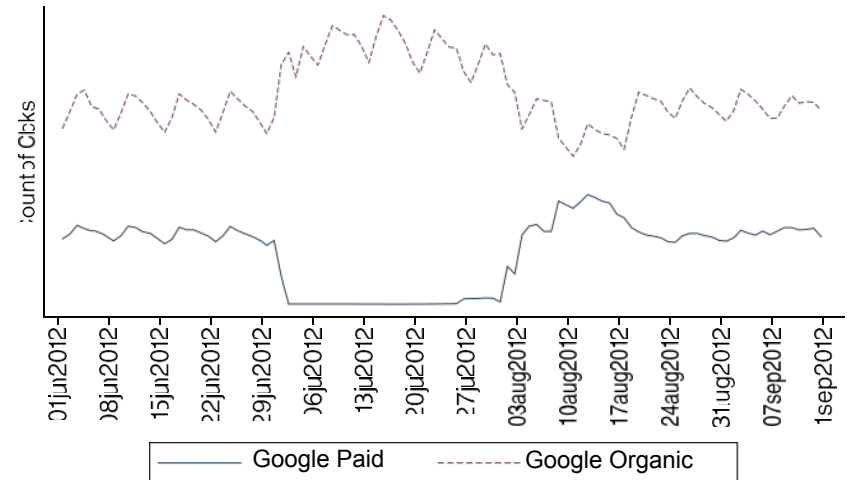


Incremental Digital Ad Effect?

- eBay tested the return of brand keywords in search advertising
 - E.g. users searching “eBay” or “eBay Shoes”
 - Hypothesis is users using search as navigation tool
 - When paid search turned off, ~99.5% of traffic went through organic search
 - Outcome: Stop brand-keyword paid search ads because organic search is free traffic



(a) MSN Test



(b) Google Test

Value of Personalized Marketing

Half the money I spend on advertising is wasted; the trouble is I don't know which half

John Wanamaker



Non-Branded Keyword Search

The image shows a Google search results page for the query "used gibbon les paul". The search bar at the top contains the text "used gibbon les paul" and a magnifying glass icon. Below the search bar, there are navigation links for "Go to Google Home", "Web", "Images", "Maps", "Shopping", "More", and "Search tools". The search results indicate "About 5,210,000 results (0.35 seconds)".

The results are categorized into "Ads related to used gibbon les paul" and "Sponsored" results. The "Ads related" section includes:

- Used Guitar - Used Gear in Like New Condition.** (guitarcenter.com) - 12,659 reviews. Free Shipping on 1000's of Items! 2,700 people +19 or follow Guitar Center. \$10 Off \$49 or \$200 Off \$999+ Free Shipping to Stores. Special February Financing. Locations.
- Gibson Les Paul Used on eBay - ebay.com** (ebay.com) - 470 seller reviews. Find Gibson Les Paul Used for less. eBay - it's where you go to save.

The "Sponsored" section features a grid of five guitar listings:

Image	Product Name	Price	Source
	Gibson Les Paul Standard	\$1799.00	Guitar Center
	Used Gibson Les Paul Standard	\$2159.20	Musician's
	Used Gibson Les Paul Standard	\$1099.99	eBay
	Gibson Les Paul Studio	\$649.99	Buya
	Gibson 2013 Les Paul Standard	\$2999.00	zSounds

Below the grid, there are filters for "Shop by number of strings: 6-string 12-string".

Other search results include:

- Gibson | Dave's Guitar Shop** (davesguitar.com) - 25+ items. Welcome to our Gibson Guitars landing page. Dave's Guitar ... 8.6 pounds! \$2,995.00 Gibson '58 Reissue Les Paul Faded Top '12 Ice Tea ... 9.4 pounds! \$2,250.00 Gibson Les Paul Custom Maduro '12
- Gibson Guitar - Get great deals for Gibson Guitar on eBay!** (popular.ebay.com) - Popular Items - Musical Instruments. 1968 Vintage Gibson Les Paul Standard Gold Top all original. 1 bid. US \$5,000.00 ... 2008 Gibson Les Paul Studio Faded Mahogany Brown USA Electric Guitar. 7 bids ... Used. to \$ Clear Preferences. Buying formats. Auction. Buy it Now ...
- Gibson Les Paul - eBay - Find Popular Products on eBay!** (popular.ebay.com) - Popular Items - Musical Instruments. Manufactured by Gibson, the Gibson Les Paul is one of the most widely known electric guitars. ... USED Gibson Les Paul LP Traditional Plus Top Iced Tea ...

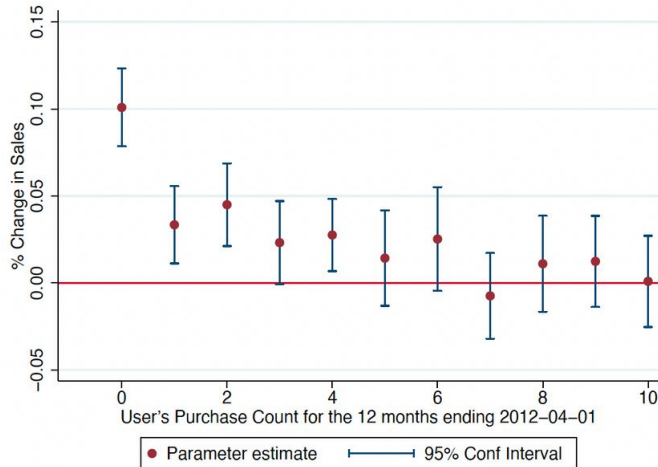
The right side of the page contains "Ads" for:

- New Used Les Paul Gibson** (used-les-paul-gibson.buycheap.com) - Save Big On Used Les Paul Gibson Guitars! Massive Selection & Ultra-Cheap!
- Used Les Paul at Amazon** (www.amazon.com/instruments) - 1,200 seller reviews. Sound Values on Instruments & Gear. Over 10,000 Instruments.
- Used Gibson Les Paul** (www.nextag.com) - Deals - Used Gibson Les Paul. See NextTag Sellers' Lowest Price!
- Gibson Les Paul Used Sale** (gibson-les-paul-used.compare00.com) - Up To 70% Off Gibson Les Paul Used Gibson Les Paul Used. Compare
- Used Gibson Guitars** (www.williams-guitars.com) - Vintage Les Paul, 335, SG, Guitar. Best Prices Fast Shipping & Service
- Win Gibson Les Paul** (bluesmasters.yoox.io) - Win Gibson Les Paul Guitar. View or Enter Blues Contest
- Gibson Les Paul Used** (www.webcrawler.com) - Search multiple engines for gibson les paul used. See your ad here >

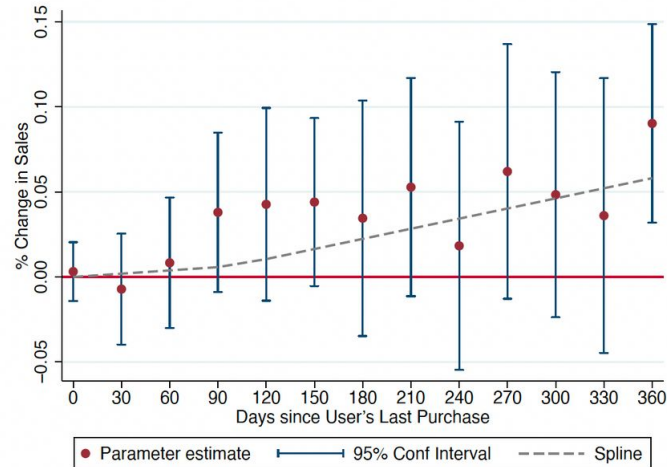
(a) Used Gibson Les Paul

Paid Search Impact by User Segment

- eBay tested the return of non-brand keywords in search advertising
 - E.g. searched “used gibson les paul” or “used guitar”
 - **The best search advertising results came from the least active customers (or no idea of company or offering)**
 - **Zero historical purchases, then people with less than 3 purchases in past 12 months.**
 - No purchases past 1 year (360 days)
 - Not aware item exists on eBay



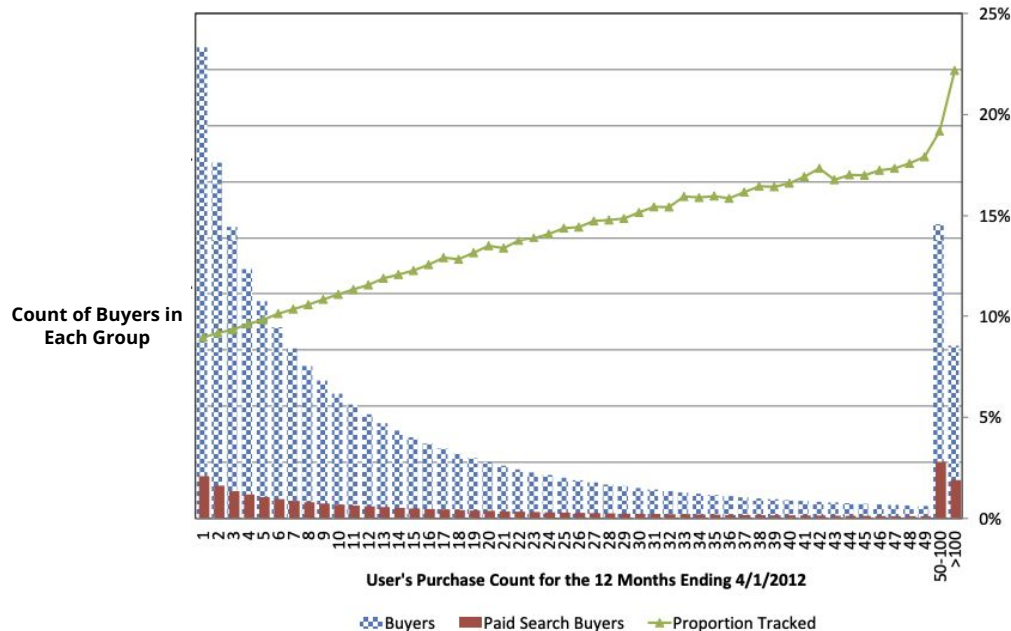
(a) User Frequency



(b) User Recency

Paid Search Attribution by User Segment

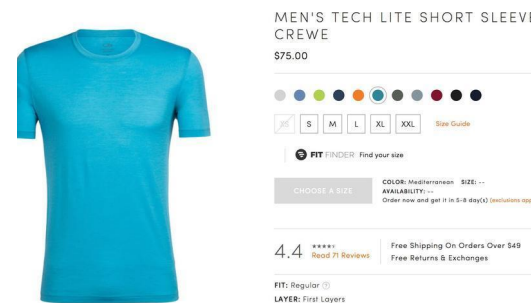
- Frequent purchasers are more likely to engage with Google paid search or click ads
 - Advertising engagement occurs mostly from people buying 50+ times a year
 - Advertising has no positive effect on purchasing behavior - for high-volume, frequent purchasers.
 - **Purchase would have occurred without advertising**
 - Highlights tendency of industry-used attribution models to mistakenly treat purchases as causally influenced by ads.



Economic Value of Digital Targeting



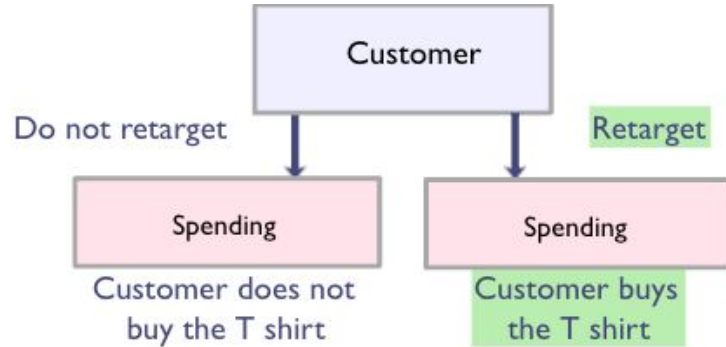
- **A Customer Dwells On A Product Page**
 - Then does not purchase
 - Later retargeted on Facebook
 - Finally clicks the ad and buys the product
- **Does The Economic Value Apply?**
 - Target customer if expected profit is



Economic Value of Digital Targeting

Scenario A:

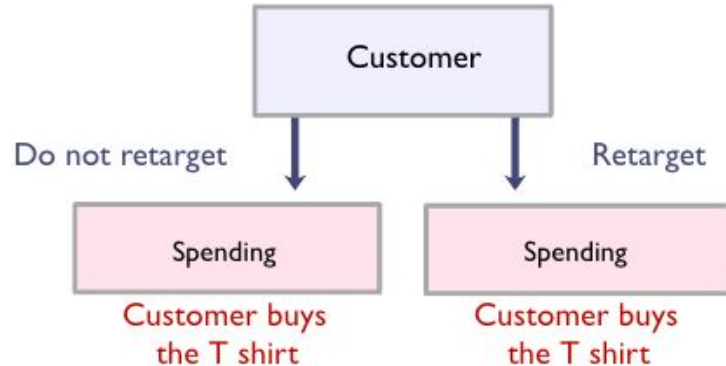
The customer does not return to the product page if not (re)targeted



Scenario B:

Buys irrespective of targeting

Even if not (re)targeted, the customer returns to the product page and makes the purchase



Economic Value of Digital Targeting

- **Scenario A**

Compared to not retargeting, the value of targeting is **positive**

- **Scenario B**

The customer buys irrespective of targeting, hence the value of targeting is **negative/mute**

- **Issues**

- In scenario B we observe that the customer retargeted and purchased the T shirt, and might mistakenly conclude that retargeting **caused** the purchase
- Need to consider the **counterfactual**
 - Would have the customer bought without advertising?

- **Compare to potential outcomes framework**

- **Economic value of digital targeting must be based on the incremental profit**

Economic Value of Digital Targeting

- A **conceptually correct prediction of the economic value of digital targeting must consider the potential outcomes**
 - Profit if we target
 - Profit if not target customer
- The **best targeting** is based on a comparison of potential outcomes

$$E[\text{profit}_i(0) \mid \mathbf{x}_i]$$

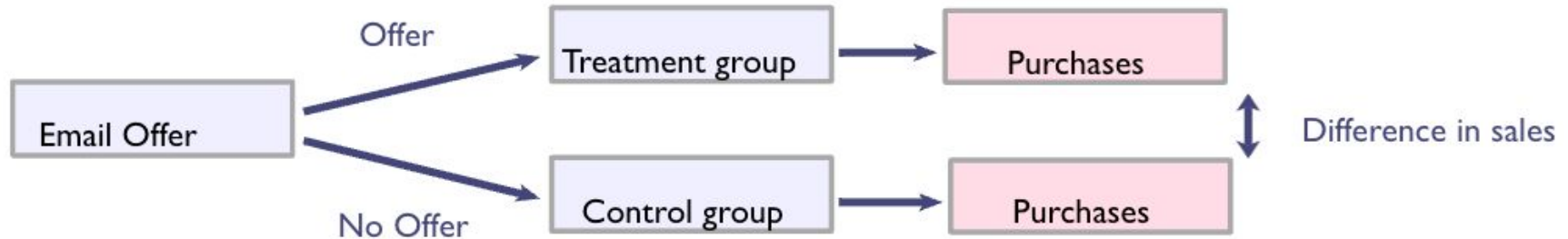
↑
profit if not
targeted

$$E[\text{profit}_i(1) \mid \mathbf{x}_i]$$

↑
profit if
targeted

Economic Value of Digital Targeting

- Target a customer if the **incremental value from targeting exceeds the cost**
- We observe if the customer was targeted and if the customer was not targeted



COMMON
MISTAKES.



Mistakes Businesses Make...

Working on the wrong things

Roadmap

Purchasing 1 or 2 cloud technologies hoping this will solve everything

Alignment and change, while outpacing competitors

Missing Incrementality and Value Creation



Marketing Stack Strategy

- Needs to be internally driven strategy not vendor or marketing software company
- Needs to align your companies north star
 - Eg: Sales Uplift or Pipeline



Marketing Stack Strategy

- When thinking of switching technology, the grass isn't always greener on the other side of the fence
- When adding new technologies, can require more headcount and implementation is not always as easy it seems



pardot



marketing cloud



Marketing Stack Strategy

- Build vs Buy
- Operating Model



Marketing Stack: Email

- Automation/Lifecycle
- Compelling Content
- Data
- Strong Hands-On Users
- Cross-Channel Alignment
 - Email might not be right channel for some prospects
 - SMS, Sales, Ads or other



Marketing Stack

- Define experience and supporting E2E architecture
 - Data Architecture (Integrations and Wiring)
 - Cross-Channel Touchpoint Strategy
 - How you want to Personalize
- Campaign Production and Configuration
 - Fungible Email Templates that are low maintenance
 - No Code > Coding
- Reduce “Technical Debt”
 - Avoid “Checkbox” work completion



Summary

1. Incrementality is important.
And investing money in the right places
2. Flexible platform that can adapt to marketing changes with strong E2E architecture & data
3. MarTech strategy: Internally led vendor agnostic
4. Roadmap that delivers on time to value





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Thank you

