



10 tips to cut the crap out of your marketing



A few words of **caution** before you move on



Klaus Giller
Founder of **mrkt'in**

I have been a marketer my whole professional career and though I can't say I have seen it all, I for sure have seen a lot. As a marketing manager for PlayStation I contributed to the launch of the PS3 (I know ... I wish it was the PS2). While Head of Marketing for the sports betting company bet-at-home.com I ruffled some feathers with edgy TV advertising. As the Country Manager Germany for the US gen-tech giant Ancestry, I launched DNA testing in Germany. And as the VP Marketing for the pet-tech start-up Tractive, I helped strengthen the bond between pet owners and their furry friends all around the globe.

Then in 2021, after almost 15 years on the client-side, I founded mrkt'in and switched to the dark side of marketing, the agency world (though please don't call us an agency, find out why on mrktin.eu).

So, you see, I have been working in companies with 100 employees as well as big corporations with thousands of employees. I have worked in very different industries and tried out a lot of stuff (and failed many times).

The point is, my experiences gave me probably a very unique perspective on marketing and it is not my goal to come up with universal laws that apply to every industry, market, or organization. Most of the advice presented in this book should be applicable irrespective of the nature of your business, but it's still based on my personal experiences. What I hope to accomplish here is to give you a few ideas on how to reach the next level of marketing. At the very least I hope you will have a good time reading it.



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01

Connect your data points



01 **Connect your data points**

If you think your organization is not big enough to need data analysis then you are wrong. Irrespective of size, the ability of an organization to make sense of its data will determine its survival. This development has been further accelerated by the COVID pandemic as many businesses were left with no choice but to go fully digital. 

I started my career in brand marketing, which was around 15 years ago, when data analysis was still in its early stage. Believe it or not, but there was actually a time before Google Analytics which didn't launch until the end of 2005. Online campaigns were for the most part evaluated based on the number of clicks they generated and the click-through rate. And back then we thought that was pretty cool.

Since then, a lot has changed and data analysis provides us with the tools to understand every step of the customer journey. This development forced marketers to also be data analysts. If you have an in-house data science team that's great. However, if you as a marketing manager, a marketing director, or whatever fancy title you might have, can't make sense out of the data then you are like a captain who doesn't understand what makes his ship float. And that wouldn't instill much confidence in your crew, right?

The good news is that there are plenty of good courses and content out there that can help you get a better grasp of data analytics and how to apply them. 



01 **Connect your data points**

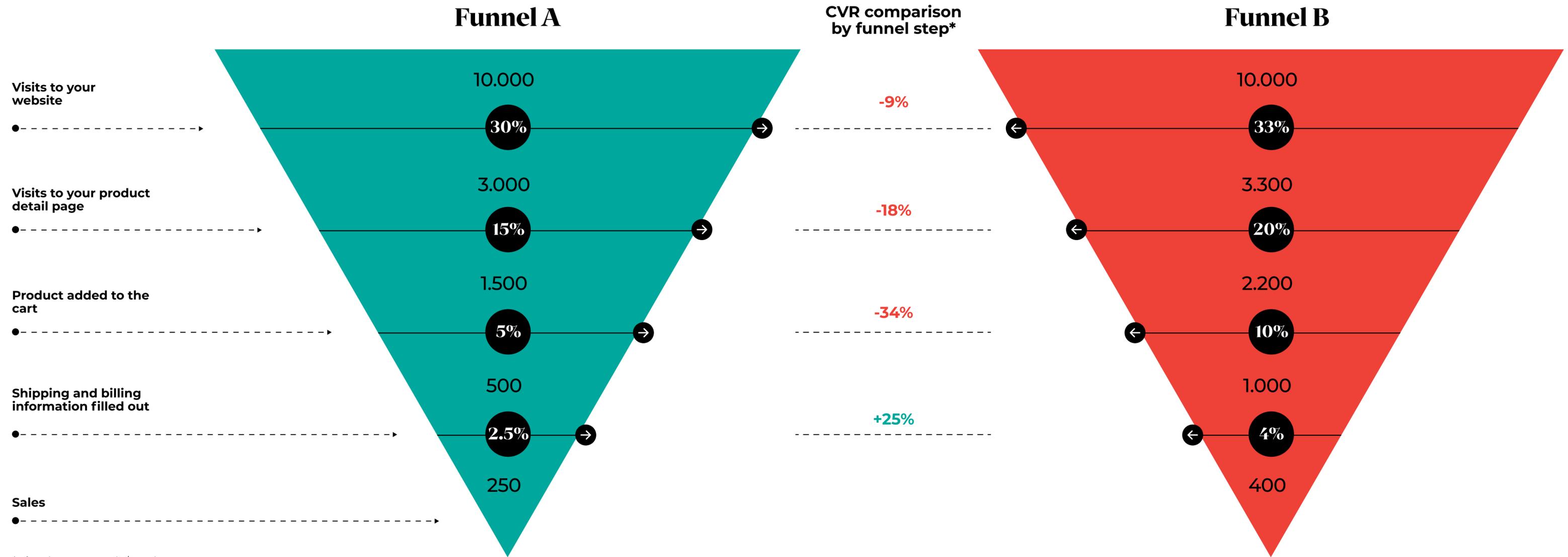
For most of you, Google Analytics is probably your analytics service of choice. However whether or not you use Google Analytics, Adobe Omniture, or a different tool, their core functions are very similar.

For me, as a non-expert in data analytics, one of the most useful features has been the Funnel Visualizations. They are great for understanding and visualizing how your users navigate through your site and come in handy for identifying weak points in your conversion funnel. But for understanding whether your conversion rates are good or bad you will need benchmarks. There are some general benchmarks available online by industry and channel. 

This already gives you some rough estimation of how you perform on a high level in terms of conversion performance by industry or channel, but it doesn't break down the individual steps of the conversion funnel. When I was working for Ancestry, we had solid benchmarks for every single step in the funnel because we could easily compare the German conversion funnel to the US or UK conversion funnel.

Therefore, if you operate in different countries a funnel comparison might reveal quite a few issues and opportunities (fictitious conversion funnel):

01 Connect your data points



* = funnel step CVR Funnel A/Funnel B - 1;
 for this example:
 $30\%/33-1 = -9\%$
 $50\%/61-1 = -18\%$
 $33\%/50-1 = -34\%$
 $50\%/40-1 = +25\%$

01 **Connect your data points**

The comparison of the conversion funnels reveals that the biggest issue for funnel A is when users have to enter their billing and shipping information. In funnel A, 34% more users exit the conversion funnel. The next step would be to find out the reasons. Again, you might not always have such a good benchmark at your disposal. A piece of advice: If you struggle to find a good benchmark for comparison maybe there is a company similar to yours, but not a direct competitor which you can ask to compare funnels.

One final remark on this topic: the downside of being able to measure almost everything is that you are easily tempted to measure almost everything. The challenge is to make sense out of your data and to identify those metrics that are relevant for your business performance. Keep your KPI dashboard lean and updated. At my previous jobs, I only looked at a few core metrics daily. You have to determine which KPIs are appropriate for quickly assessing the growth and efficiency of your business. Depending on your industry that can include KPIs such as subscriber growth rate, new orders, customer acquisition costs, and more. In the long run, it always pays off to invest some time and resources into setting up a proper KPI dashboard as part of your governance framework.



02

Understand the value of your customers



02 Understand the value of your customers

To me, the single most important KPI has been the customer lifetime value (CLTV) which tells you how much revenue your customers will generate on average over their lifetimes. The principles of lifetime value calculation are very intuitive. Let's say your business is selling shoes and your data shows that your customers on average buy 4 pairs of shoes over their lifetime. The CLTV will therefore be 4 x avg. retail price. Assuming a pair of shoes costs on average 50 euros, your lifetime value will be 200 euros. Obviously, this is a very simplified version of customer lifetime calculation and in particular lifetime value calculations for subscription businesses can be quite complex. This is especially true for start-ups or companies that don't have a lot of historical data yet. If you want to dig deeper I found this article quite helpful:

<https://towardsdatascience.com/calculating-life-time-value-for-subscription-businesses-d477a3194b32>



02 Understand the value of your customers

So how can the CLTV help you make better business decisions?

Benchmark your marketing: Imagine the following scenario. You are still in the shoe business and you have your weekly jour fixe with your SEM Manager. The data reveals that you acquire 100 new customers per week at 40 euros for each new customer. The impression share metrics also show that you are not close to capturing all of the relevant traffic and there could be a lot of untapped growth potential. When asked why they didn't increase the biddings, your SEM Manager responds that they assumed that the retail price should be the ceiling for how much to spend. After all, if a pair costs 50 euros and you spend 40 euros to acquire a new customer then you still make a 10 euro profit, right? Well, assuming there's a CLTV of 200 euros you should be fine with doubling or even tripling your costs because it will pay off in the long term.

Consider this scenario:

Scenario	# New customers	Spend	Cost per new customer	Customer lifetime value	Revenue	Profit
A	100	€4000	€40	€200	€20.000	€16.000
B	300	€30.000	€100	€200	€60.000	€30.000
C	500	€65.000	€130	€200	€100.000	€35.000



02 Understand the value of your customers

If you only aimed at maximum efficiency you would leave a lot of potential on the table. From a profit maximization perspective, you have to go with Scenario C.

The challenge of course will be finding the sweet spot between growth and efficiency but setting the right benchmarks using your CLTV is a good start.

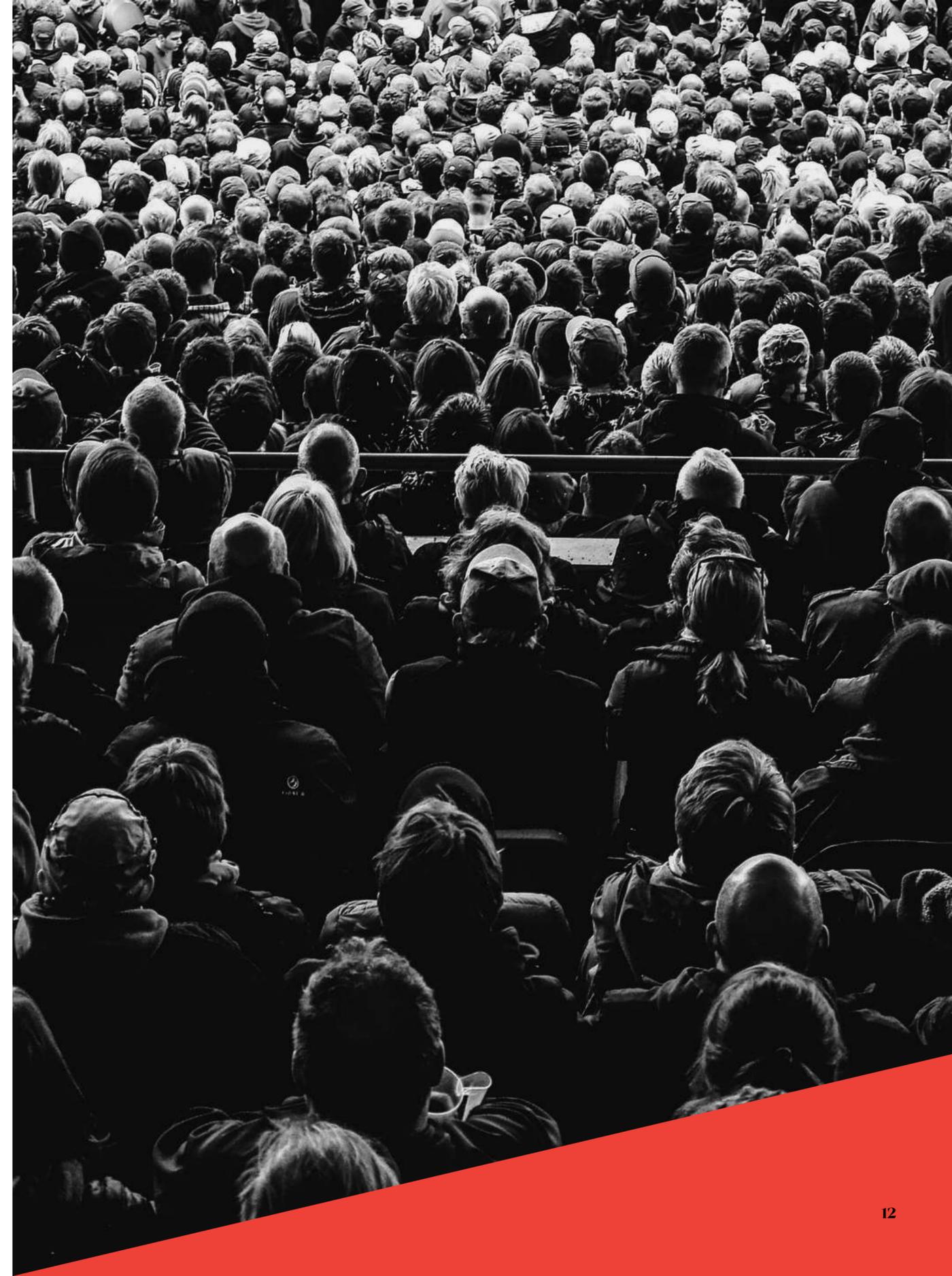
Compare markets or customer segments: The CLTV is also really useful when comparing different markets or customer segments. For example, at one of my previous companies, we tested TV by targeting different age groups. Channels aiming at a relatively young audience brought a lot of traffic to our site while the local national TV broadcaster which had a much older viewership generated relatively little traffic. However, only by using CLTV were we able to understand how TV performed among different age groups:

Age Group	Spend	Traffic	Attributed new customers	CVR	CLTV	Revenue	Profit
18 – 34	€30.000	20.000	600	3%	€80	€48.000	€18.000
50 +	€30.000	12.000	240	2%	€220	€52.800	€22.800

02 Understand the value of your customers

In our case, a young audience was very eager to try our service resulting in high traffic and high initial subscription numbers. However, this audience was also very quick to cancel its subscription as reflected in the low CLTV. On the other hand, targeting an older audience generated less direct traffic and the CVR was worse. However, this audience was less likely to cancel which led to a significantly higher CLTV. The result was less, but more relevant traffic.

CLTV in combination with your growth metrics will help you tremendously in optimizing your marketing channels.



03

Talk to your customers



03 **Talk to your customers**

I mean this in the most literal sense. As I mentioned previously, making sense out of data is at the core of making logical business decisions. This includes, but is not limited to quantitative data. Qualitative data points are just as important and are the glue that gives your metrics meaning. Because while quantitative data might tell you which channels your users come from or how much they spend on average on a purchase, it can't tell you for example what experiences motivated a user to choose your product or service.

For example: at Tractive I invited one of our most loyal users to the office to talk about her experience with our product and what made her purchase a GPS tracker. She then told me the most heart-melting story of how she had once lost her dog Luna and how she and her husband were searching for her for 24 hours without success. She then made a post on Facebook and fortunately, someone who saw her post indeed spotted Luna sitting in front of an Italian restaurant. The name of the restaurant? La Luna. True story! Never wanting to go through such an experience again she then searched for GPS trackers online, clicked on an ad, and finally purchased the tracker from the webshop. The quantitative data would have therefore just told us: the last click attributed to AdWords, spent 3 minutes on the site, purchased a tracker however it would have missed out on everything else.



03 **Talk to your customers**

And you don't have to spend a fortune on focus group tests or online surveys. As shown in the example above, just reach out to your customers in the vicinity and invite them to your office. You would be surprised how many of your customers would love to talk about their experiences. Do this maybe once a month and record it on video so you can revisit it at a later point.

Another way to quickly get qualitative insights is by sending out surveys to your existing customer base through email. A little incentive should be enough and surveys are easy to set up through Typeform or SurveyMonkey. Just make sure that you have a standardized set of questions that remain the same so you can compare results. Those quick surveys are great for getting both qualitative as well as quantitative responses, but be aware of selection bias. This means that the results of those surveys are most likely not representative of the population you wish to analyze.



04

Testing, Testing, Testing



04 Testing, Testing, Testing

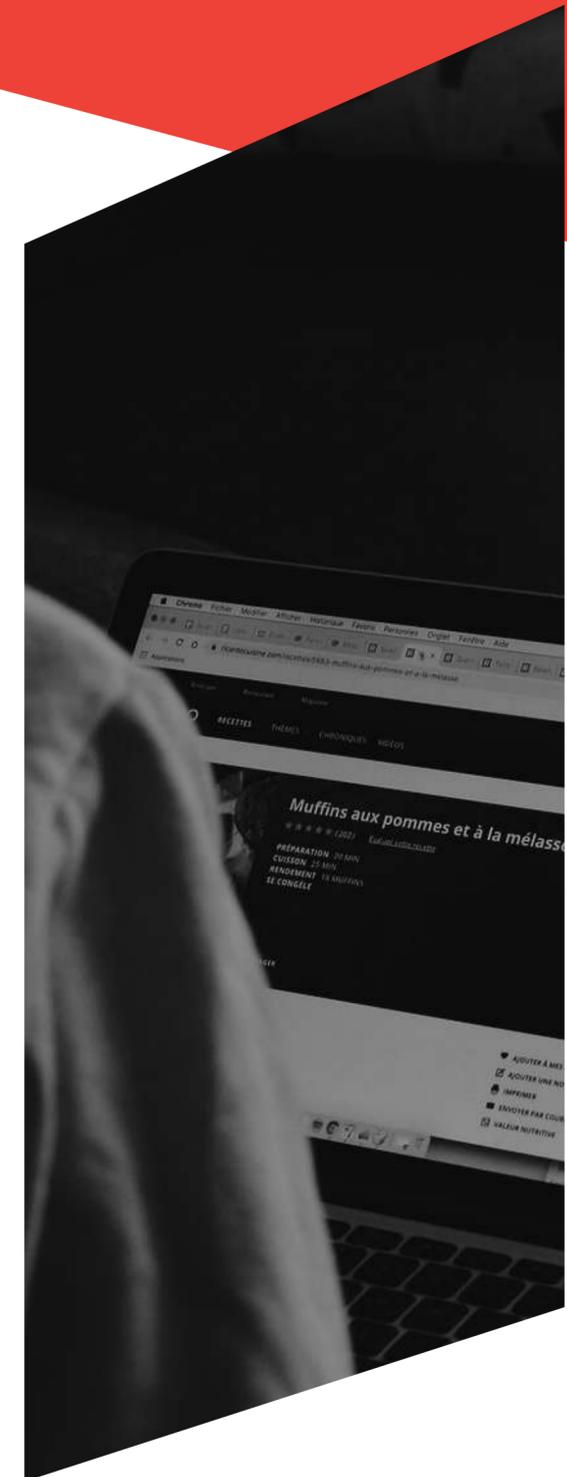
I deeply believe that every day you don't have a test running is a day of a lost opportunity. I refer to the term testing in the broadest possible sense. I am talking about testing new marketing channels, testing new user flows, testing new marketing messages - you name it. And while you should never stop testing, you also have to ensure that you are testing the right questions the right way. **Adhering to these 4 simple steps helped me a lot:**

1 Come up with a logical hypothesis for your experiment.

Let's say you want to run an experiment based on the hypothesis that an improved onsite onboarding experience will result in better customer acquisition. That's a logical hypothesis that can be tested.

2 Define the input variable and how you want to manipulate it.

In our test scenario, the input variable is "improved onboarding experience". The question now is how do we want to improve the onboarding experience. You can probably think of many different ways. You could provide users with an interactive guide, you could use a chat tool to support them if they have questions, or you could prominently place an onboarding video on the homepage. Let's go with the onboarding video. This is how we decide to manipulate the input variable.



04 Testing, Testing, Testing

3 Define the output variable and how you want to manipulate it.

The output variable in our experiment is vaguely defined as “better customer acquisition” which can be measured in different ways. Better customer acquisition could be interpreted as increasing the value of the customers, thus increasing the customer lifetime value. It could also be interpreted as increasing the number of new customers in the test cell versus the default cell. In this case, I would probably settle on the onsite conversion rate as the primary metric and CLTV as the secondary metric. It makes sense to measure more than just your primary metric. The reason being is that while the experiment might not reveal an impact of an improved onboarding experiment on the onsite conversion rate, it might show an impact on the value of your new customers.

4 Make sure that the results of the experiment are significant and not polluted.

It's tempting to draw quick conclusions especially if early results are lopsided. However things can turn around quickly. Don't stop your experiment before reaching a significance level of at least 90%, though 95% would be better. Otherwise implementing a strategy that won by just pure chance can seriously harm your business.



04 Testing, Testing, Testing

A common issue for smaller organizations is a lack of sufficient website traffic resulting in long testing periods. This is often exacerbated by choosing conversions or sales as the primary measurement metric. While I as well prefer using sales or purchases as my primary metric, you can often shorten experiments by using events that happen earlier in the conversion funnel such as add-to-cart events. However, make sure that your data indeed shows a clear correlation between the ultimate conversion metric and the earlier event.

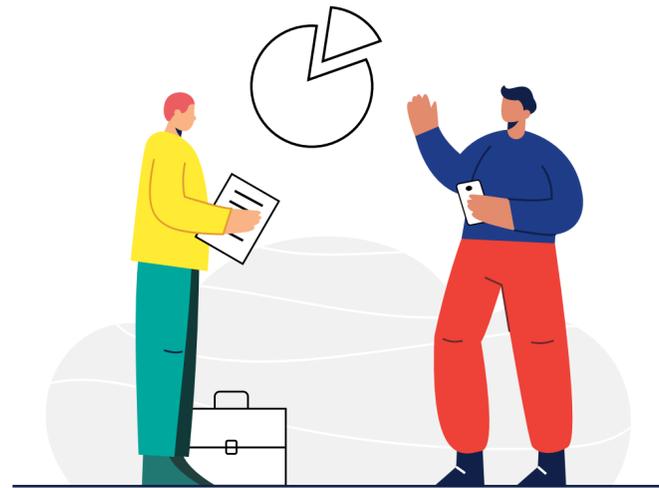
Randomization of your test population is another essential requirement for running a clean experiment (as you need to avoid systematic differences in the population between the two test cells). If for example, one test cell contains a disproportionate number of users coming from a particular channel then the results may no longer be comparable.



04 Testing, Testing, Testing



Logical hypothesis



Define input & output



Clean setup

Let me finish this chapter by emphasizing how important it is to set up a proper testing plan that looks at least several months ahead. I would further advise you to make sure that you have a directly responsible individual (or DRI as my former CMO at Ancestry called it) assigned to your testing strategy who ensures that experiments are executed as planned as well as properly documented and evaluated.

05

Harness the power of Marketing Psychology



05 Harness the power of Marketing Psychology

Marketing psychology can be a powerful tool if correctly applied and there are often just small things that can have a huge impact. One if not the leading researcher in this field is Professor Robert Cialdini, who defined the 6 principles of persuasion and recently added a seventh principle. I don't want to go into details about each principle because there is enough free literature available on this topic, just search for Cialdini's principles of persuasion or buy one of his best-selling books. What I would like to do is give you a few practical examples where you can use those principles to your advantage.

Reciprocity: This principle states that people are likely to return favors. If you offer to buy my beer, I will feel indebted to buy the next round. Or take this ebook. Though I enjoy sharing my experiences with you there is a hope that you might return the favor by considering hiring us in the future. There are many creative ways you can apply this principle to your marketing.

Social Proof: This is one of my favorite principles because it's so easy to apply. The social proof principle says that people will follow the actions of the masses. How can you apply this principle?

State how popular your product is: When I was working in the sports betting industry, I always put a message on our vouchers and flyers stating how many users had already signed up to our platform. Especially if you work in an industry where basically all companies have a very similar product - with no true USP social proof can be quite effective.

Make your claim relevant: Messaging is effective when it's relevant to your target audience. For example:

Tractive is the most popular GPS tracker for pets

Tractive is the most popular GPS tracker among dog lovers

Tractive is the most popular GPS tracker among German dog lovers

Be creative in your messaging: I get it, not everyone is a market leader, but maybe you can tweak the message a bit by referring to a specific segment or a specific use case.



05 **Harness the power of Marketing Psychology**

Authority: It's a shameful piece of marketing history, but in the 30s and 40s tobacco companies used physicians to promote their cigarette brands.  As immoral as this example is, the logic is sound. Nurses and doctors are still among the most trusted professions in our society. It is therefore quite logical that in so many ads, doctors are featured promoting toothpaste or shampoo against hair loss. By the way, if you also want to see what the least trusted professions are check this out: <https://www.statista.com/chart/19397/trusted-professions-in-britain-ipsos/>

The right testimonial can increase brand trust and result in a positive image transfer to your brand. However, the emphasis is placed on right testimonial. Unfortunately, many companies favor publicity over authenticity resulting in quite ineffective celebrity collaborations that only cost a lot of money but don't move the needle.

Likeability: The last principle I want to touch base on. I don't want to reveal my secret ingredient, but there is a reason why I emphasize that I have spent almost my whole career on the client-side. First of all, it's, of course, true but I also want to show that I can relate to you because I am one of you. By emphasizing similarities I increase the chance that you will view me in a positive light. By the way, if you are interested in how Steve Jobs thought about consultants read this:

<https://mitsloan.mit.edu/ideas-made-to-matter/steve-jobs-talks-consultants-hiring-and-leaving-apple-unearthed-1992-talk>

You can see this principle applied every day. The gaming hardware brand Razer for example uses the slogan "For Gamers. By Gamers." I don't ask you to change your slogan, but make sure that in your communication with your audience your passion for your product or service shines through.

There are three more principles – Scarcity, Commitment, and Unity – we haven't touched on. It is worth checking them out as well. I can also highly recommend the book "The Choice Factory" by Richard Shotton which touches on a few of the topics mentioned above but contains many other useful and applicable insights into consumer behavior.



06

Expand your mind



06 **Expand your mind**

I had one of my most humbling experiences as a marketer when I was working in the sports betting industry. Voucher inserts were one of our most effective acquisition tools. Every year we inserted millions of vouchers in magazines, newspapers, or Amazon orders. What we tried to do was ride the wave of excitement ahead of big sports events. That might have been a world cup, a big tennis tournament, or a football derby between two local rivals. What we never did was advertising in airline magazines with vouchers. We reasoned that on an airplane you usually don't have internet, therefore you can't redeem the voucher and we assumed that passengers would forget about them once the plane had landed. After all, traveling by plane can be stressful. You have to go through security, pick up your luggage, take the cab to the hotel. Who would think about a voucher for sports betting at this point?

Somehow in a management meeting, this topic was brought up by one of our founders: Why don't we try advertising in inflight magazines? We stated our case, but he insisted we give it a try. We reluctantly agreed to give it a shot, after all, it was his money.



06 Expand your mind

Long story short: It was one of the most successful voucher campaigns we had ever run. Not only was the cost per acquisition surprisingly low, but the revenue per user was through the roof. We were baffled and ashamedly reported the success of our test campaign.

So what happened?

Though users didn't redeem the voucher on the plane due to the lack of an internet connection they ripped it out of the magazine and put it in their wallets (by the way when designing vouchers make sure they easily fit into a wallet). We also realized that many users were redeeming the voucher while waiting for their luggage at the airport and even more passengers were redeeming it once they had arrived in their hotels where they had nothing else to do other than check emails and order room service.

In conclusion, we simply misjudged this particular use case and didn't put enough time into identifying potential winning scenarios. We were too narrow-minded. I want to emphasize: my recommendation is NOT to give every bad idea a try. Rather find plausible scenarios where a test campaign can work. If you can come up with a logical hypothesis then you should give it a try.



07

Challenge the status quo



07 Challenge the status quo

Okay, I admit that sounds like something out of a leadership workshop, but let me explain. We often accept so-called rules for our business without questioning them and by doing so we risk missing out on huge opportunities. Let me give you an example from my time at Ancestry, the global market leader for online genealogy and DNA testing. At its core, Ancestry is a platform where you build your family tree by crawling through a huge database of digitized documents such as birth certificates or census records.

When I joined Ancestry to develop the German market it used a classic free trial approach to convince users of its subscription service. The idea was that users would be given a 14 day free trial period after which the subscription would be automatically renewed, turning the free trial user into a paying customer. It's the same approach that many other subscription services are using (**#cancelmygymmembership**).



07 Challenge the status quo

This free trial approach was used by all of Ancestry's markets and with great success. Only in Germany, this model was struggling as demonstrated by a lower customer lifetime revenue and higher day zero cancellation rates. So why didn't it work in Germany? Well on one hand Germany was the first non-English speaking market Ancestry tried to conquer. The user experience was not tailored to German users. However, we assumed that this was not the only reason the free trial model was struggling.

The high amount of day zero cancellations hinted at a different kind of challenge because why would German users cancel it without really trying the service? We hypothesized that German users were scared of subscription traps and that a more transparent approach could succeed where the free trial approach failed.



07 Challenge the status quo

We set up a simple A/B test. Cell A was the free trial model and for test cell B we used a hard offer approach, meaning that users had to pay 1 euro in the first month without the free trial option. Most of our international colleagues didn't think the hard offer approach would stand a chance. Why should Germany behave differently than all other markets? This was the result of the test that ran over 6 weeks.

+50% more paying customers in Cell B

At the same time, lifetime revenue slightly decreased however total lifetime revenue drastically increased due to the improvement in customer acquisition rate.

You see, if we just accepted free trial as the only possible approach without being open to alternatives we would have never found this out.



08

Results speak louder than words



08 Results speak louder than words

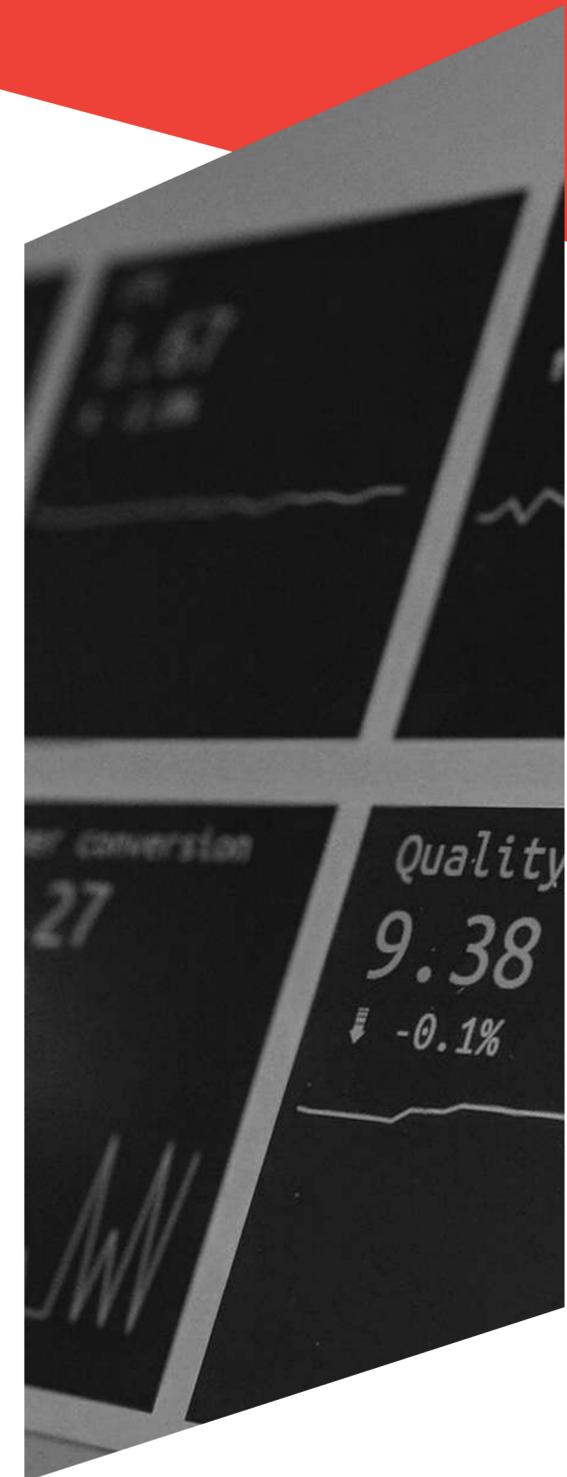
How would you decide whether or not to enter a new market?

I loved asking my employees this question because in most cases the response was: conduct market research, do a competitor analysis, write a business plan, do a SWAT analysis - you get the idea. There was a lot of extensive research. The thing with plans is that they are based on assumptions that have yet to be tested. Or as Steve Jobs put it "You cannot connect the dots looking forward. You can only connect the dots looking backward." So instead of using your resources for writing business plans which are based on assumptions that are probably wrong, why not just start selling the product and learning from real data?

Quick and Dirty:

The term start-up mentality is very high on the marketing bullshit bingo lists, but in this case it has value. Build a minimum viable product and run an AdWords or Facebook campaign and see how users respond. Don't worry too much about brand health. It takes a very long time to build a brand therefore some imperfect Facebook ads won't doom it.

Real Data is the best way to get an understanding of how your product or service would do in a new market. And it's also a reality check and allows you to minimize your risk and resource allocation which saves you time and money.



09

Align Expectations



09 **Align Expectations**

When running new campaigns, testing new channels, or making significant changes to your messaging, you should have three boxes checked before giving the green light:

1- There is a plausible hypothesis why your test could work

2- You are able and prepared to measure the performance of your test

3- You have a clear understanding of how success would look like and you are internally aligned

I want to focus on this last point: Visualizing success and internal alignment. What do I mean by that? It's not enough to identify and measure relevant KPIs. You also have to internally align on what success might look like. Let me give you an example. Let's say you founded a start-up that has been continuously growing and maturing. Your performance channels run smoothly and you want to explore other channels to grow the category and increase awareness for your brand. Together with management, you have decided that you want to give TV a try. It's a hefty investment compared to other channels, but you believe that this is the right channel to reach a new audience and grow your brand. You have a TV spot tailored to your audience, you define the relevant metrics and implement proper measurement.



09 **Align Expectations**

After a couple of weeks of gathering data and conversions, you have a meeting scheduled with management to share the early results. Your analysis shows that your first test flight yielded a return on investment of 50%. You are satisfied with the results. You didn't expect your TV campaign to pay off immediately and you assume that with further optimization you might be able to improve on the first results. Unfortunately, your management sees it quite differently. So far the company has only invested in performance marketing which almost always paid off immediately. So how can an ROI of 50% be regarded as a success? You are totally taken off guard and instead of laying out the next steps, you have to fight for continuing your TV test.

So what went wrong in our example? The problem was that there has never been an alignment between you and management. While you might have had good reason to consider an ROI of 50% a nice return, management had an entirely different perception. By the way, this issue is not limited to start-ups or inexperienced companies, it also happens regularly in big international corporations.



09 **Align Expectations**

What could have prevented this outcome? Scheduling alignment meetings for strategic investments with management and relevant stakeholders has proven to be a quite effective countermeasure. In those meetings, everyone should be given the chance to voice their opinions and the goal should be to get proper alignment on how success should look like. It should be documented and shared with meeting participants afterward.

This approach will:

1- Save you time so you don't have to waste energy on future discussions involving what would constitute success or failure

2- Save you money if an alignment cannot be reached



10

Performance and Brand need each other

PASSION LED US HERE



10 Performance and Brand need each other

The performance marketing versus brand marketing discussion has been a hot topic for many years now, with fanatics on both sides. For me, it reached a tipping point with Adidas' decision to move away from a strategy favoring performance marketing and moving more towards a strategy prioritizing brand marketing.

I don't want to go into too much detail here, there is plenty of literature available online. [🔗](#)

However, what struck me was how confrontational and provocative the opinions were. On one side you had people proclaiming the return of "the brand" and on the other side, you had performance fanatics neglecting any role that brand might play in the customer decision process.

I have been in marketing for more than 15 years now and I always struggled with this black and white comparison of brand versus performance. So, if TV advertising has a good CPO is it still brand, or is it performance? I ran highly efficient influencer campaigns before with very low CPOs. Does this qualify it as a performance or a brand campaign? Can't it be both? Can't campaigns strengthen the brand AND perform?

The point I want to make is, wherever you want to draw the line between performance and brand marketing, you will need both. Running a TV campaign with an amazing spot will only make your competitors happy if you can't capture the traffic because your AdWords campaign is not optimized. On the other hand, if you only go for maximum efficiency and focus solely on low funnel performance marketing campaigns, this will result in a slow death for your growth rate. If you keep fishing in the same pond forever you will reach a point where there are no more fish left. So you should get to the ocean soon enough.

By the way, I strongly believe that the basis for any good marketing is a well-oiled performance marketing machine – optimized SEA, SEO, Affiliate Marketing, etc. – and I would always start with that before dipping my toes into awareness marketing such as TV, Radio or Video Ads. Just take one step after the other and move carefully up the funnel with your marketing benchmarks in mind.



Parting words

I hope you had a fun time while reading this ebook. If I was able to provide you with a few new ideas or give you some inspiration I consider my job done. You want to learn more about mrkt'in and its cut-the-crap approach? Please visit www.mrktin.eu or reach out to me via info@mrktin.eu. Don't worry, we don't bite (most of the time).

Ready to cut the crap out of your marketing?

Klaus Giller
Founder mrkt'in



10 tips to cut the crap out of your marketing





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