

Company 3 Case Study

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Scenario 1

Audio Marketing Team

- Audio Marketing would like to double the rate of new sign ups YoY
- They run ads on podcasts in the US
- 10% of new sign ups respond to survey, which is the main method for understanding where a user came from
- Of those 5% respond that they heard of Company 3 from a podcast

Key Problems

1. **Lack of response to survey leads to estimates being used for 90% of users**
2. **Inability to understand exactly which podcasts are the most impactful**

Solutions

1. Lack of response to survey leads to estimates being used for 90% of users

1.1 Verify that the method for estimating acquisition channel is valid

1.2 Increase number of responses to survey

2. Inability to understand exactly which podcasts are the most impactful

2.1 Collect more detail via the survey about which podcasts people listen to

2.2 Use a cookie based tracking approach to attribute results to podcast show

1. Lack of response to survey leads to estimates being used for 90% of users

1.1 Verify that the method for estimating acquisition channel is valid

1.1.1 Turn off channel and measure response

- Turn off audio marketing and measure the impact on new acquisitions
- If total drops by 5% then we know that the sample represents the population
- Can be repeated multiple times to reduce potential impact of external factors impacting results. If you see the same behaviour each time then very unlikely to be caused by external factors.

Pros	Cons
Relatively simple to implement by audio team	Expensive, will lead to a reduction in new users

1.1.2 Compare response between similar regions

- Find two regions that are similar
- Turn off audio in one, whilst keeping on in the other
- Look at the difference in sign ups for each region - if one is 5% greater than the other then pro-rating method works

Pros	Cons
Reduces potential losses by limiting to a specific region	Hard to pick and know that regions are the same
	Assumes that one region will behave the same way as all regions

1. Lack of response to survey leads to estimates being used for 90% of users

1.2 Increase the number of responses to the survey

1.2.1 Improve Funnel

- Evaluate response funnel and key segments to see where people are dropping off
- Use that to re-design funnel to encourage more responses

Pros	Cons
Increased accuracy	Possibly a lot of effort to implement
No reduction in sign ups	Likely to require development resource - which has a real and opportunity cost

1.2.2 Retarget non-responders

- Send questionnaire again via email, push or in app notification

Pros	Cons
Cheap and relatively easy to implement	May have detrimental impact on user response to future CRM initiatives

2. Inability to understand exactly which podcasts are the most impactful

2.1 Collect more detail via the survey about which podcasts people listen to

2.1.1 Ask extra question in survey

- Ask a follow up question when users select “podcast” to ask them which podcast they heard the about Company 3 on

Pros	Cons
Relatively simple to implement	Relies on user response to survey which we know is already low
	Relies on accurate user recollection (ie may have listened to that podcast but may have heard ad on another show)

2. Inability to understand exactly which podcasts are the most impactful

2.2 Use a cookie based tracking approach

2.2.1 Use in-built tracking

- Most ad platforms facilitate tracking of results (ie signups) to understand value - this is something to investigate
- These should also facilitate segmentation by podcast

Pros	Cons
Should be relatively simple to implement a tracking cookie on the site	Might not be available from all podcast platforms
	Potentially double counts
	If signup happens after an app download - can be much more complex to track (although still possible)

2.2.2 Use 3rd party measurement partners

- Use a 3rd party measurement platform that podcast platforms integrate with

Pros	Cons
Enables you to understand true value and interaction across all marketing channels - paves way for data-driven attribution model	Might not be available for all podcast platforms
	Potentially costly

Summary of Options

1. Lack of response to survey leads to estimates being used for 90% of users

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1.1.1 Turn off channel and measure response

1.1.2 Compare similar regions

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2.1 Collect more detail via the survey about which podcasts people listen to

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2.2 Use a cookie based tracking approach to attribute results to podcast show

2.2.1 Use in-built tracking

2.2.2 Use 3rd party measurement partner

Recommendations

Note: every company is different and the actual course of action would depend on multiple factors. This is based on my best guesses and assumptions about how the company operates.

Lack of response to survey

1. Start by trying to retarget the non-responders - this should be relatively simple assuming good relationships with CRM team, and might yield quick results
2. Next do a quick evaluation of the funnel to see if there is any low hanging fruit that can be quickly implemented
3. If not worried about a short term negative impact on acquisitions - run the test to turn off the ads and see the response. This might yield good results.
4. If losing acquisitions is a major issue - then look to run the region specific test instead

Inability to understand exactly which podcasts are the most impactful

1. First step - get set up with any in-built tracking functionality. This should be fairly easy to set up, and should yield some fairly good results quickly
2. If in-built tracking doesn't exist or can't be set - updating the survey with an extra question should be fairly low effort
3. A 3rd party attribution model is probably quite a lot of effort to go to - however, it would yield the best results and benefit all marketing channels

Other Opportunities for Optimising Budget

- Optimise for Cost per Acquisition, rather than just Acquisitions
 - Takes into account efficiency of spend
- Evaluate regional variations eg at the state level
 - State by state - focus marketing in those regions that have a good response rate

Scenario 2

Paid Display

- Paid Display team are running Brand Ads
- These don't drive many clicks, so some suggest they should be turned off
- But others say that play an important role in introducing the brand to users and work hand-in-hand with other channels to convert users

Options

Option 1: Implement an attribution model

1. Implement cookie based tracking across all marketing channels
2. Build a “data-driven” attribution model
3. Refocus KPI on Cost of Sale for each channel
4. Evaluate each channel/campaign based on an attributed Cost of Sale

Option 2: Incrementality Test

1. Find 2 regions/target groups that are similar
2. Turn off the brand ads in one region
3. Evaluate the difference in transfers between the two

Option 3: Brand Lift

1. Run a survey across users to see if there is increased brand recognition as a result

Approach 1: Implement an attribution model

Why?

Implementing an attribution model will allow the business to understand exactly how valuable each channel is regardless of where in the user journey it tends to be. It will also help us evaluate whether Brand Ads are helping other channels convert.

How?

Use Google's In-built Data Driven attribution model

- If a high proportion of your marketing goes through Google this might be a very cheap way to understand the impact quickly

Pros	Cons
Very simple to set up	If lots of interaction outside of Google then probably inaccurate
Can be applied retroactively	
Can set automatic bidding strategies to optimise for you	

Build your own model or use a 3rd party

- Mainly suitable for cases when there is a lot of activity that can't be tracked by Google - such as email
- However, likely to take a long time to implement, with considerable cost. Even longer if doing yourself

Pros	Cons
Best option for ensuring full visibility and understanding across all channels	Slower
	Potentially costly

Approach 1: Implement an attribution model

Keys to Success

- **Track both Impressions and Clicks:** Both approaches should take into account all marketing interaction including both clicks and impressions. Impressions are key marketing touch points and can influence the decision to transfer. As such we need to include them.
- **Use Cost of Sale as KPI:**
 - Defined as: $\text{Marketing Cost} / \text{Transfer Value}$
 - Transfer value should be counted across the whole of the lifetime of the user, not just their first transfer. This will help us address the notion that the Brand Ads only impact existing users
 - This metric is important as we want to optimise total transfer value - and want to maximise our marketing spend
 - This can be split out by channel and campaign (as well as demographics) - allowing us to allocate our budget to the most effective area
- **Allow for Time Lag:** Given that we will be looking at the full journey for a user to make a transfer (which could be multiple days/weeks long) we should allow for this in our analysis. Ideally we would look at a relatively long time period and evaluate what a sensible time lag (time between first interaction and conversion) is to use going forwards (eg 95% of users convert within 30 days - would allow us to set a 30 day lookback window)

Approach 2: Incrementality Test

Why?

Implementing an incrementality test will allow the business to understand the impact of Brand Ads on the bottom line.

How?

- Find two target groups that are similar - have a similar makeup and respond in similar ways
- For one of the groups - turn off the brand ads
- Measure the total impact on sales

If you don't notice any impact on sales then the Brand Ads are wasting money.

Google has this functionality built in "Conversion Lift" so should be relatively easy to set up.

Key to Success

- **Consistent Marketing:** Ensure that the same marketing activity happens across both target groups (apart from Brand Ads)

Pros	Cons
Within control of team to set up	No information about exactly which campaigns within Brand Ads worked
Cheap-ish (although may lead to negative impact on transfers depending on results of test)	No information on interaction between channels
	Can be hard to run effectively

Approach 3: Brand Lift

Why?

Running a brand lift test will help the business understand whether the Brand Ads are having an impact on brand perception. This could offer clues as to whether they are having any impact on the end users.

How?

- Run a survey within a target group for those who have and haven't seen the ads - and ask whether they recognise the name. By looking at the difference between the groups you can understand the impact the ads had on brand recognition
- These surveys can be run on Google via YouTube. So the ad might need to be trialled on YouTube to find the impact.
- Facebook are able to support with these types surveys too.

Pros	Cons
Relatively quick to run	Doesn't give any information on actual impact on transfer volumes
Relatively cheap	Potentially a distraction

Recommendations

Note: every company is different and the actual course of action would depend on multiple factors. This is based on my best guesses and assumptions about how the company operates.

1. Evaluate what proportion of your marketing is via Google
 - a. If it is a high proportion (say over 70%) then use Google's built in model (either in Google Analytics or Google Ads). This will give you a pretty good indication as to whether or not the Brand Ads are having an impact at all.
 - b. If the proportion is low, or if you need high precision, and have a reasonable amount of time (order of months), and some budget - then look at investing in a 3rd party attribution model.
2. Incrementality tests can be a quick but crude method for proving results. It can be very hard to run these successfully (in particular ensuring consistent marketing activity across all other channels) so any results should be taken with a pinch of salt. However, they can give directionally useful results.
3. Brand lift surveys might be useful to give an indication as to whether the Brand Ads are impacting user perception. However, they don't explain how that translates into transfer value. If the business is prone to misinterpreting results or doesn't always use the right metrics - it might be wise to avoid altogether and keep the focus on the metrics that really matter. If they are literate and can handle nuance/complexity - then this might be useful in informing some of the conversations.