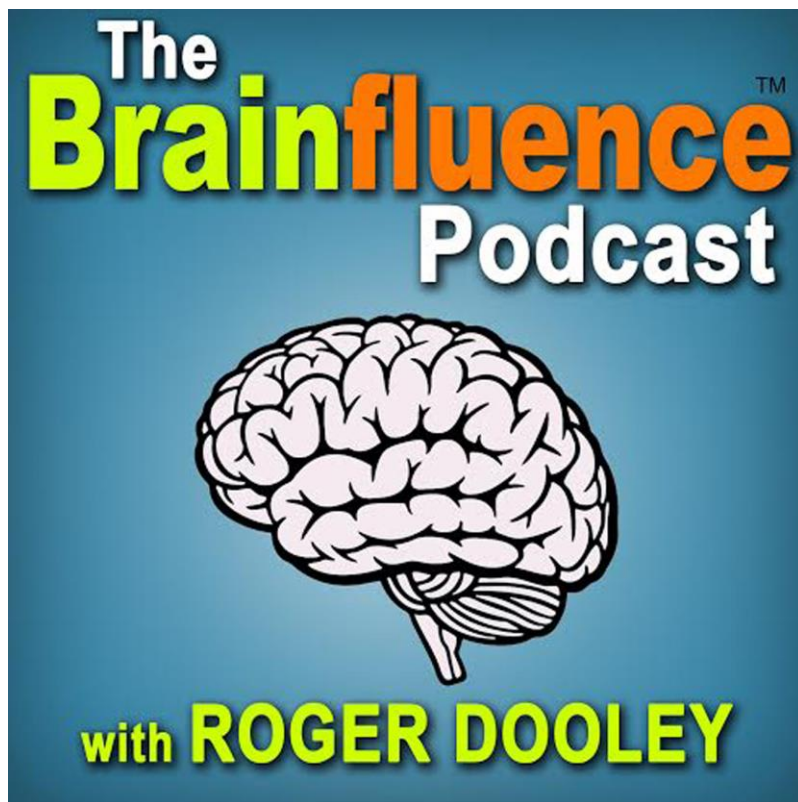


Ep #29: The Performance Marketing Blueprint with Paul Roetzer



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Roger Dooley

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Welcome to the Brainfluence Podcast with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger Dooley: This is the Brainfluence podcast and I'm Roger Dooley. Today our special guest is Paul Roetzer. Paul's the founder and CEO of PR 20/20, a Cleveland-based inbound marketing agency, and he's a fellow Wiley author and his brand new book is "The Marketing Performance Blueprint, Strategies and Technologies to Build and Measure Business Success."

Paul, I think our listeners are going to be very interested in what you have to say today. Your focus is on marketing technology, but with a particular emphasis on getting and measuring results, which I know my more quantitative-oriented listeners are very big on. For starters, what do you think are the biggest challenges facing the marketers today?

Paul Roetzer: I think the new book tells the story about the convergence of talent, tech and strategy, so it's really about unlocking your potential, performance potential, what's possible as a business. The biggest challenge you see is, historically, many marketers haven't had to quantitatively prove the success of what they've done, so there's been a lot of qualitative or soft metrics used, but there's a study we cite in the book from the 2014 CMO survey, and they say just 36% of CMOs have quantitatively proven short-term impact of marketing spend, and then that figure drops to 29% when demonstrating long-term impact.

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At a macro level, we have this challenge of marketers historically not really being tied to performance and now, as there's greater and greater focus on ROI, that more technical marketers, the more analytical ones that are able to show the quantitative impact of what they do, they have this dramatic head start as the industry is now catching up and requiring that out of marketers. They've kind of been doing it for a few years, but they're few and far between.

Roger Dooley: Is that kind of a scary thing for some marketers? I can imagine if you've basically been, not coasting along, but working for a period of years and mainly operating as a creative person or making creative judgments and having rather nebulous measures of actual success, other than things like customer feedback, awards and that sort of thing, to suddenly say, "Okay, now we're going to have metrics and measurements and performance goals and so on." Does that create some resistance to the whole concept?

Paul Roetzer: Yeah, I think it's a huge challenge for a lot of marketers and it can be scary because, really, they're not sure how to go about doing it. Like we've seen, there's a study, the Skills Gap Report, that said 75% of marketers say their lack of skills is impacting revenue in some way. They oftentimes realize they don't have the skill set to do it or they're not properly measuring it and what we've seen in some of our client instances is that it causes a churn within the marketing leadership team because you have to go and bring the people in who can confidently run marketing in that way.

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Roger Dooley: I sort of cut my teeth in marketing, in direct marketing in particular, catalog marketing, and I absolutely loved the fact that we knew what was working, we could do square inch analysis, we could do AB tests. This was pre-Internet days, so it was pretty much state of the art for quantitative marketing. I always had great sympathy for my marketing colleagues who really had no clue as to whether their ads were driving sales or not. But at the same time, suddenly thrusting quantitative metrics into that area probably is a wee bit on the scary side.

Paul Roetzer: If you think about PR, advertising, even to a degree, web, because all they're really, in a lot of cases, doing is building the website.

Roger Dooley: Right.

Paul Roetzer: You have a lot of these core disciplines that they've gotten away with, either soft metrics, like impressions or ad equivalency in PR's case, or in advertising, again, it's impressions a lot of times.

Roger Dooley: Don't forget likes.

Paul Roetzer: Yeah, and likes in the social media realm, that just have no impact on the bottom line or at least direct impact, and that's where their metrics stopped. It's just not enough anymore.

Roger Dooley: Is a "marketing technologist" a thing now? Is there such a beast? Is it an emerging profession in and of itself, or is it just sort of a continuum of skills?

Paul Roetzer: I think that over time we'll see the marketing technologist that we kind of differentiate today as someone with both a

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marketing and a technology background. I truly believe that that's going to become the norm, that they're just going to be marketers. I spoke at the MarTech conference this year, which was put on by Third Door Media and Scott Brinker, who has the blog, "chiefmartech.com, and they sold that thing out within like a month to go, as the inaugural event. They drew 375 people to Boston and it was a bunch of marketing technologists, so people that sort of crossed the lines between tech and marketing.

What you're starting to see, and Scott's a great thought leader in this space, is a lot of enterprises now actually have a chief marketing technologist or some equivalent title. It's someone that now oversees the evaluation, selection and management of the technology solutions that are used to do marketing, like marketing automation and analytics and CRM and SEO and social and all these different tools we need to do our job, it's becoming the job of the marketer, not to know how to solve for those.

Roger Dooley: Where does one find these people? Are colleges and universities beginning to deal with this or is it still not really happening there and people are mainly self-taught or cobble together sort of education, professional programs and experience?

Paul Roetzer: We're seeing more and more that the corporations themselves are having to take the initiative to teach the skill sets. When you're thinking more at the entry level or even mid-level professional, we did a study for the book, the book's broken into the three sections of talent, tech and strategy. There's a chapter on the need to build internal academies, and so what we did is we went out and looked at the US News and World Report top ten

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undergraduate marketing programs. Of those top ten, only one of them requires a digital marketing class to graduate with a marketing degree, and that was Indiana University, Bloomington.

A lot of the universities are offering curriculum that can really cross over in digital and technical realm, but they're rarely required classes, they're just electives. We're seeing more and more organizations that are taking the initiative to build programs, but in the book we talk about, Online Marketing Institute did a study and they said only 28% of large enterprises plan to introduce formal training programs from a digital marketing standpoint. Then there was another study that said that only 4% of companies are connecting those training efforts to their actual overall digital marketing strategy.

I think the message is, as a marketer, as a business, there's this immense opportunity to get ahead of the competition through talent and through tech, because even the organizations that are doing it really aren't doing it at an optimal level.

Roger Dooley: Seems even requiring one digital marketing course isn't going to exactly make a person an expert marketing technologist. Just go down the list of topics that you detailed there, SEO SEM, CRM and so on, you could do extensive course work in each one of those.

Paul Roetzer: I think more in the graduate programs you're probably seeing obviously more in-depth course work in these areas, but the undergraduate, it's not where, you can't hire people straight out of school and expect them to be fully capable advanced digital marketers that are savvy in marketing technology, that can build inbound strategies,

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that can think in a tactical level or think on a strategic level, an active tactical level. It's almost unrealistic to expect universities to deliver that kind of talent today.

Roger Dooley: They tend to be rather slow-moving, too. I know I used to recruit IT people and even the better schools were always a generation or two behind on languages and networking technology and so on. They would try and keep up but, basically, they, I think, had the attitude that, "Look, we're teaching them the concepts, we're teaching them to think, and they're going to have to pick up the most current skills on their own."

Paul Roetzer: When you think about how fast that marketing technology industry is ...

Roger Dooley: Oh, exactly. Who can keep up with it? I mean, good grief, even a professional of programs and what not, that are just focused on very specific training, they have to revise their curriculum very frequently. I've peripherally involved in the SEO area and, good grief, the changes that take place there all the time, impossible to keep up with, practically.

Paul Roetzer: Yeah. Algorithm changes can affect overnight the base principles of what you do, and I think that's, I cited Mark Schaefer in the book, and he's an adjunct professor at Rutgers in addition to being an author and consultant and speaker. He gave the great example of, in practices like accounting, finance, literature, the principles don't change. You can teach the core principles over time, but then you start getting into marketing, PR, marketing communications, advertising and the different disciplines of marketing, and we're talking about rapid revolution where overnight that things completely are restructured.

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At the university level you can't possibly keep up with that level of change.

Roger Dooley: Definitely. You talk about the marketing technology matrix in the book. What do you mean by that, Paul?

Paul Roetzer: Scott Brinker, who I mentioned earlier, he has the marketing technology landscape. I don't know if you're familiar with it but, basically, in 2010 he came out with it for the first time. Within that, I think he profiled, I think it was, I want to say it was like 150 companies, or maybe it was 2011. So, 150 companies that are marketing technology companies. A year later it was like 350. Then he took a year off and he came out with one in January of 2014, and there was something like 947 companies across six classes and 43 categories. He, at the time of publishing it, said this is by no means meant to be a complete guide to all the different marketing technology solutions.

The point of the thing is if you just look at the scope of how many different companies there are within all these different areas that help us do our job everyday as marketers, it becomes this immense matrix of choices. You have marketing people who aren't trained to be technologists by trade now having to select and manage this technology in entirely new ways. He just partnered with VentureBeat, a couple of week ago even, I think, it came out, and they took just three of those classes and they showed the amount of funding that has gone into those technology companies, and it was like \$22 billion dollars that had been invested in these companies and that was not including IPOs, mergers, acquisitions, angel funding. They were estimating that probably closer to \$50

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billion dollars has been invested in fueling innovation within these spaces.

As marketers that aren't technologists, that's an immense amount of stuff to keep up with. Again, like we talked about, it's a very disruptive change that's happening in a lot of these areas.

Roger Dooley: Definitely, and would a smaller business keep up with this? Large businesses may have the resources to have specialized people and folks to do evaluations of different technology and so on, but what's a smaller scale business to do?

Paul Roetzer: I think that's where you see a lot of these tech companies that are focusing on the small to mid-size business market, where they're trying to be the all-in-one solution. HubSpot's the one that comes to mind just because we work so closely with them. They've really built out a niche within that small to mid-size business market, where you can, for one solution at one price point, you can get your, now they have a CRM system, but CMM, CRM, SEO, CMS, social media management, email marketing, this kind of all-in-one. There are obviously other players in that market.

As a small to mid-size business, what you want to try and do is simplify it. You need to pick the core pieces that you have to have, like you've got to have a CRM system, you've got to have a content management system for your website, you probably need some level of social media management. You don't want to go and get a bunch of tools that you're not going to utilize. I really think it comes down to, look at your business, think about the pieces you

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have to do to achieve your business goals and then get the right tools in place that you're actually going to utilize.

Roger Dooley: That makes a lot of sense. In essence, outsourcing some of the technology selection process to somebody who's going to integrate the solution for you and you can hopefully just deal with the pieces you need and they will be the right ones for what your needs are.

You talk about a connected customer experience and, somehow, connected customers in technology seem like they don't always go together. Technology can kind of get in the way of connecting sometimes. Of course, in other cases, obviously, it provides tools to connect. What do you mean by a connected customer experience?

Paul Roetzer: We look at it as, if you think about a traditional customer journey of awareness to education to intent to decision to validation or loyalty, historically, there was this very logical linear path that customers went through. Today, it looks nothing like that linear path. We, as marketers, can't really define this very simple buying process. You have buyers that are jumping from their iPhone to their iPad to their desktop to, now we have connected devices in the home like the television. They're consuming information in completely different ways and the buying decision, the buying process, has evolved.

The idea behind the connected customer experience is using technology to personalize their experience with your company or brand from the first touch point until, ideally, until they're a loyal customer. It's using analytics to know past behavior, past purchase history using a CRM system to communicate with them on a one-to-one basis, using a CMS system with contextual content to show them

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something different when they come that's specific to the paths they've already gone down.

In a simplified way, we talk about it as the Amazonification of marketing. It's that experience you get from Amazon where you go there and they say, "You've bought this or this, so you may like this." Netflix is doing the same thing with movies. That's really where marketing is going, as the corporate marketers' brands now have this ability to try and communicate on as close to a one-to-one basis as possible so the consumers feel like you're communicating directly to them, you're creating value for them on an ongoing basis. Ideally, the goal is when the time comes for them to make a purchasing decision; they're going to choose you because you've been there all along that journey.

Roger Dooley: Is there a creepiness factor that businesses have to watch out for with that?

Paul Roetzer: Absolutely. There can be, and that's one of things that we do when we go in with a client that's a very traditional sales organization and you show them very simple tools like, let's say, a reverse IP look-up that's native into like a hub spot where you can go in and say, "Okay, someone from this company was on our site today." If you just hand that information off or if someone has downloaded something and you now know when they come back to this site and you know they're looking at the pricing page and you know who they are and what they're looking at, if you just hand that information over to an untrained sales force, those people may make that phone call and say, "Hey, Bob, I see you're on our pricing page right now. Do you want to talk?", and that can creep people out. Most

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consumers don't know the level of information that marketers have access to and, unfortunately, a lot of marketers and a lot of salespeople don't know how to utilize the power of that information without creeping people out.

Roger Dooley: Yeah, that's definitely true, and even just ads following people around and so on. Now I think people are getting more and more used to that, but the first time that it happened, it's like, "Why am I still seeing ads for that same blue shirt, but I'm on a totally different website?"

Paul Roetzer: Oh, sure, and beacon technology's the same way, walk past a store and get a promotion via text. It's like, "That's kind of convenient but, wait, how do they know?"

Roger Dooley: Right. At least there's perhaps some logic there. If you're walking by the store and you get a text from the store, you think, "Oh, somehow they know that I'm out there."

Paul Roetzer: Right.

Roger Dooley: Yeah, you're right. It's a fine line and chances are, too, it's a moving line. Like I said, with that initially re-targeted ads seem kind of weird, but now I think we're all used to them, as long as it's not something obnoxious that keeps following us around and you can't get rid of it, it's not really too much of a problem.

Paul Roetzer: Right.

Roger Dooley: One of the surprising charts in the book was how marketing varied as a percentage of revenue and related to company growth objectives. It seems like a lot of companies want to grow aggressively but not nearly as

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many want to spend aggressively. Is that a pretty fair characterization?

Paul Roetzer: Yeah, definitely, and that research actually came from Marketing Score, which is the online assessment tool that we built. It's a free tool, so we have about 1,500 different people in different organizations have utilized it to this point. The chart that was in the book was actually based off a sample size of 318 of those people that we published earlier this year. It looked at; we asked people in their profile, "What is your growth goal?" And "What is your budget in terms of revenue?" What we found is that, I think at a high level, it was 41% of people have aggressive growth goals, so they want to grow 20% or more, but only 5% have aggressive budgets, 20% or more of revenue.

On the opposite end of the spectrum, only 6% indicated that they wanted to grow 5% or less and yet 35% of respondents say that their budget is 5% or less of revenue. It was kind of an interesting paradox. When you look at that chart, it just gives you a really good representation of, people always have these kind of aggressive or moderately aggressive growth goals, but rarely do they allocate budget to correspond with that.

Obviously, there's lots of different reasons why budgets are what they are, but at a high level, what we were trying to demonstrate there is you have to be realistic about aligning expectations with potential and so your expectations for growth have to fit with the talent you have in place, the tech you have in place, the strategies overall, historical performance data, there's lots of things

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that go into telling you whether or not you can achieve what you're setting out to do.

Roger Dooley: Perhaps these folks are just really skilled and efficient marketers and they can get a lot done with very few resources.

Paul Roetzer: They're not wasting any money on anything, they're measuring everything. I'm sure it's just like that.

Roger Dooley: That'd be nice to think, I guess. One of the first steps in developing a strategy is assessing where you're at. In pretty short terms, how would a business go about starting that process?

Paul Roetzer: That is, with the tool I was just referring to, Marketing Score, we kind of use that as a model and if nothing else, just to give people a base of some of the factors to look at. I think at a high level you want to look at your existing reach as an organization, so when companies set goals from a marketing standpoint, one of the core things is to look at and say, "Are these goals realistic based on what we're able to achieve?"

If you have minimal subscribers, limited website traffic, very little social media reach, a limited data base of contacts that you own, basically the owned media part of the owned earned media equation. If you're not very strong there, then you're going to have to be spending money in paid media to get the awareness and attention and drive traffic you need, and you're going to need to be very good at earned media, because it's going to take time to build the owned media.

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I think with the assessment you want to look at the overall strength and foundation of the business, but then from a marketing standpoint, you want to look at how strong of a foundation you have, really at that top of the funnel, to determine are you able to achieve what you want to throughout the rest of your marketing programs. I won't get into the funnel because I know you're just talked about unselling and the funnel and that's like a whole other topic, about the funnel, is it or is it not still relevant? That's the gist of it.

Roger Dooley: I think the funnel has always been kind of an interesting metaphor and you could always poke holes in it because in a real funnel, everything comes out the bottom eventually, where in the sales funnel, really, it looks more like a really leaky sieve than a funnel. That's not as pretty a picture as a simple funnel, not quite as easy to express visually.

Here's an off-the-wall question for you, Paul. I know it's not your area of core expertise, but what do you think about neuro-marketing techniques as another way of either predicting or measuring performance. I guess there's a whole range of those possible but, I don't know if you've looked at that at all, but it's, I would say, one other way of sort of getting past the touchy-feely, I guess this may work, hope it works, into something a little bit more quantitative, albeit not necessarily perfect.

Paul Roetzer: I've always been a fan, when looking at traits and skill sets, I always wanted people who either took a psychology class in theory, in a perfect world. I was always interested in sociology, psychology. I wanted people that could understand how the mind works. I've

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always believed that marketing should be very scientific in the way we approach it, so we shouldn't be using gut instinct and we shouldn't be just doing what's always sort of been done within the industry. We should be far more analytical and scientific in that approach.

I think that's where we're going as marketers. I love this stuff you talk about and I think we can actually go even further with technology. I think artificial intelligence, predictive analytics, those sorts of things are really going to start to come into play, where we can anticipate human behavior and we can actually take actions based on the probabilities of what we think is going to have the greatest impact on our business goals, on the consumer path. I think it's a huge area but, again, kind of like the marketing technologists, there just aren't that many marketers trained to tap into the potential.

Roger Dooley: I think there's probably very few people who really have any kind of a grasp on it right now, but I think you're right. If you could combine big data techniques with psychology and behavioral techniques and start doing stuff at an individual level, beyond just "You like this product, so you may like this other product."

Paul Roetzer: Right.

Roger Dooley: That could be very powerful.

Paul Roetzer: Absolutely.

Roger Dooley: That seems like a good point to wrap things up. As a reminder, our guest today is Paul Roetzer, founder and CEO of PR 20/20 and the author of the new book, "The Marketing Performance Blueprint, Strategies and

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Technologies to Build and Measure Business Success."

Links to Paul's books, his website and other resources will be on the show notes page at rogerdooley.com and there will be a full transcript of the conversation, too, if you want to dig into anything a little bit deeper.

Paul, for any listeners who want to find your stuff or get in touch with you, where should they look for you online?

Paul Roetzer: Pr2020.com is the agency and that's the best site. There is a dedicated site for the book as well, that's performance.pr2020.com. You can get a performance pack download and there are free chapters available, so if you just want to sample what's there, you can check that out. Then on Twitter, just @paulroetzer.

Roger Dooley: Super. Paul, thanks very much for being with us.

Paul Roetzer: Thanks, Roger, appreciate it.

Thank you for joining me for this episode of the Brainfluence Podcast. To continue the discussion and to find your own path to brainy success, please visit us at RogerDooley.com.