

mrkt in
simply cut the crap

The Marketing Start-Up Guide



Before we move on ...



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Founder of **mrkt'in**

“What do you need to start a business? Three simple things: know your product better than anyone. Know your customer, and have a burning desire to succeed.” Dave Thomas, Founder, Wendy’s

Start-ups and especially their founders have been fascinating to me my whole professional career. The courage needed to start a business, the perseverance to make it through difficult times (that every start-up has to go through), and the passion necessary to improve your organization every day – start-ups are just different. And so are their challenges from a marketing perspective.

Some of the challenges I have witnessed are:
Lack of data: especially in the early stages, business models are based on assumptions that have yet to be tested. While mature organizations have many data points, start-ups often lack such data.

Lack of capital: it’s true that every organization should be resource-conscious, but this is even more true for start-ups.

Lack of expertise: at early stages many start-ups can’t afford to hire full-time employees for Facebook, LinkedIn, Google Ads, SEO, and all the other channels. Thus, they have to find a way to either develop young talent quickly or they must find other ways to access expert knowledge.

Those are just some of the challenges founders face. In this eBook, I want to share a couple of things I have learned throughout my marketing career that I hope will have real practical value for entrepreneurs.

Also as a word of caution: I approached this project from the perspective of bootstrapped start-ups. Those are the ones I am most familiar with. I am aware that there are start-ups lucky enough to receive big funding at early stages but I don’t see this as the norm.

With that being said, **let’s go!**



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01

Where to start



01 Don't get cute – SEM First

So you founded a company, you have a promising product or service, what now? How do you make potential customers aware of your product? And how do you do that without spending a fortune?

SEO and SEA should be the basis of any well-oiled marketing machinery. Those building blocks have to be solid enough to put other channels on top of it. Organic traffic is the best traffic because you don't pay for it. However though there is no media spending involved, investments have to be made in terms of resources. A dedicated SEO manager who makes sure that your business keeps pace with Google's constant updates and who understands both technical SEO as well as the semantic part is crucial. Furthermore, it usually takes several months if not longer in highly competitive spaces before you can reap the benefits of your SEO. So, you are in for the long haul which for start-ups can be frustrating, but in the long run, the efforts will pay off.

Search Engine Advertising and here primarily, of course, Google Ads is the other way to capture search interest and you should start early setting up a basic campaign structure. You don't have to spend a fortune on your early campaigns but you should capture at least the traffic on your brand as well as the traffic around your most important keywords.

A very common fear – by the way not only among start-ups – is that **you could pay for traffic which you should get organically anyway.** Why for example should I pay for traffic on my own brand? Well, it's pretty easy to test this assumption yourself by just shutting down paid brand traffic for two weeks and compare the period with brand bidding against the period without brand bidding.



01 Don't get cute – SEM First

But let me slip into the role of the mentalist for a second: the result will be that during the period without brand bidding, you will see an increase of sales attributed to organic search while at the same time overall sales will drop. And because brand traffic is so cheap, this will not make much sense.

It will most likely look something like this:

	Week before shutting down brand	Week 2 after shutting down brand
Organic Search	€ 500	€ 800
Branded Search	€ 1 000	€ 0
TOTAL	€ 1 500	€ 800

When talking about SEA one channel that is often neglected is **Microsoft Advertising**. The problem is, that we always compare it to Google Ads rather than comparing it to other acquisition channels. For me, it has been a highly efficient channel for every company I was part of. In general Microsoft Ads, have been more efficient for me in terms of CPA and CLTV, though scalability is of course limited by the lack of widespread usage. At the same time, it is very easy to migrate your Google Ads setup, so why would you leave sales on the table?

02

Going Beyond SEM



02 Listen to your users



I strongly believe that you have to do your homework first – SEO & SEA – before tipping your toes into additional marketing opportunities. The good thing about starting with SEM is, that it will allow you to gather consumer data and give you an idea about the users interested in your category. Therefore analyzing your web analytics data is always a good point to start.

However, I highly recommend going beyond web analytics data for understanding your client. Especially when launching a new service or product, qualitative data is crucial for understanding your customers, and most importantly from a marketing perspective qualitative insights will reveal the relevant touchpoints in the user journey. For example, you don't see the impact of word of mouth in your web analytics data, especially because word of mouth still happens predominantly offline.

Two ways to get to qualitative insights:

1:1 interviews

Focus Groups



02 Listen to your users



Focus Groups & 1:1 Interviews

Focus Groups should be moderated by professional researchers. Doing it yourself will be overwhelming. 1:1 interviews on the other hand are way easier to manage and will give you more room for error. A good qualitative interview should last at least 30 minutes. You should also in advance prepare an interview script to serve as guidance.

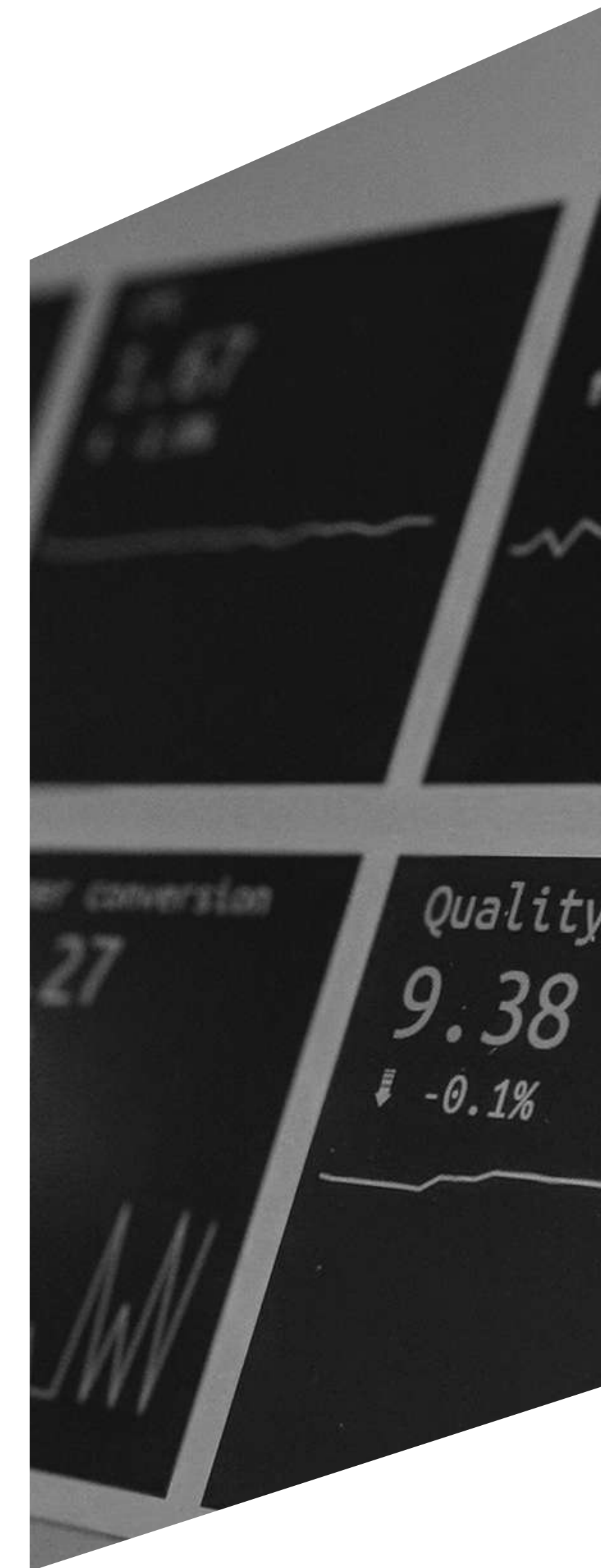
A few tips for conducting interviews:

1. Ask open-ended questions (why, what, how)
2. Channel your inner child and keep asking “why?” to unravel true insights
3. Your questions should focus on testing your assumptions and hypotheses

Avoid:

1. Long and complicated questions
2. Leading questions
3. Taking notes: ideally you record the interview

Most importantly, don't just work through the questions you prepared. Let the conversation develop organically and don't stop the interviewee. And don't worry, your first interviews will be clunky but by the tenth, you will be already much more comfortable. The combination of qualitative and quantitative data will provide you with sound assumptions that you can now test.



02 Testing new channels

In my other eBook “10 tips to cut the crap out of marketing” I am elaborating in more detail how to properly set up a hypothesis, define input and output variables, and how to keep tests clean. [🔗](#)

Here I am not talking about A/B testing but rather testing new and unproven channels. When deciding to test a channel it is important to **define a success scenario**. Let's say I run an online shop for innovative dog collars and based on my research I assume that package enclosures (flyers inserted to e.g. amazon packages) could be an efficient way to reach my audience. The first thing you should do is define a benchmark that makes sense. How much are you willing to spend on a new customer?

Whenever I have the option I use the customer lifetime value (CLTV) as a benchmark. It is a way better benchmark than the average order value as it takes repeat purchases into account. For more into on the CLTV please check this source. [🔗](#)

If the customer lifetime value is not available – for example, because my site has not been online long enough – using the average purchase value is good enough for the time being. Just make sure that you revisit this benchmark once more data has been accumulated.

So let's say our CLTV is 100 Euro. A successful test should be below this benchmark to turn a profit in the long run.

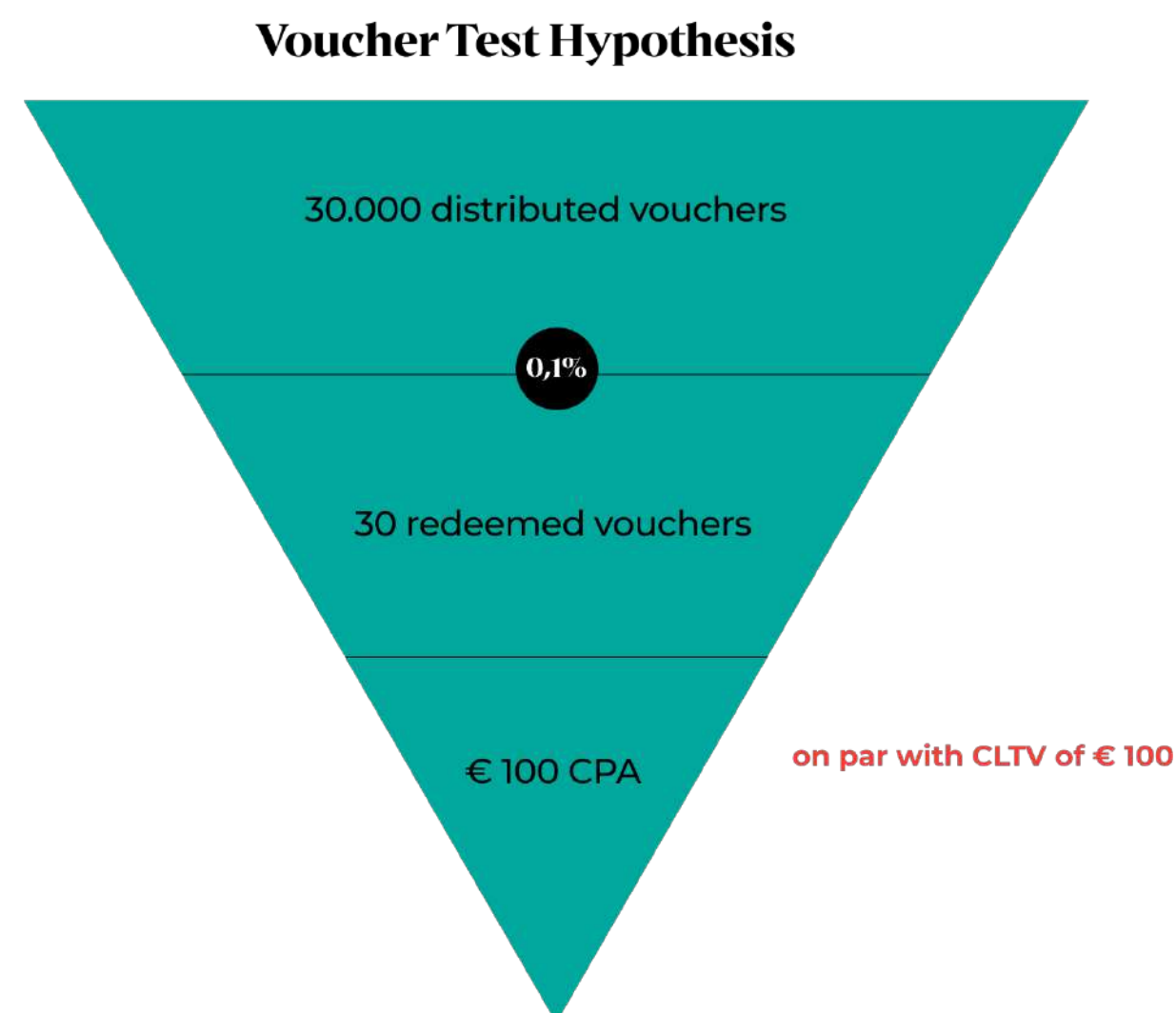
Next, let's look at the media costs. Let's assume that in our case the package enclosures cost 100 Euro CPM (including printing) and the minimum order volume is 30.000 units. Therefore the total media and production costs would be 3.000 Euro. Based on a CLTV of 100 Euro you would need to acquire at least 30 new customers to break even which would mean a conversion rate of $30/30.000 \cdot 100 = 0,1\%$.

So how do you know if this is a realistic conversion rate? To be straightforward, you don't. Of course, sometimes there are industry averages or maybe you get performance metrics from similar befriended companies, but in the end, you have to gather your own data.

However a good checkmark is your onsite conversion rate or CVR (how many of your site visitors convert). So If the test required a CVR of 5% to be considered a success but your onsite CVR is only 1% it is very unlikely that the test will perform well as the onsite CVR also includes high conversion traffic such as direct traffic.

02 Testing new channels

I recommend you visualize the success scenario. In our example it could look something like the following:



Funnels can be of course way more complex than in this simple example but the concept is always the same. Especially if you have multi-step funnels you should analyze at which points a campaign underperforms or overperforms compared to the forecast scenario.

There are three main potential outcomes for the test result:

1. $CPA > CLTV$ if the CPA is way higher than the CLTV cut the losses and move on to the next channel
2. $CPA \sim CLTV$ if the CPA is around the target CLTV you should be able to achieve a profitable performance through optimization
3. $CPA < CLTV$ if the CPA is significantly better than the CLTV try scaling the channel

Regarding Testing some words of advice:

- Test only what you can track.
- Make sure your tracking works properly
- Internally align what success would look like, especially if multiple stakeholders in the organization have a say.

03

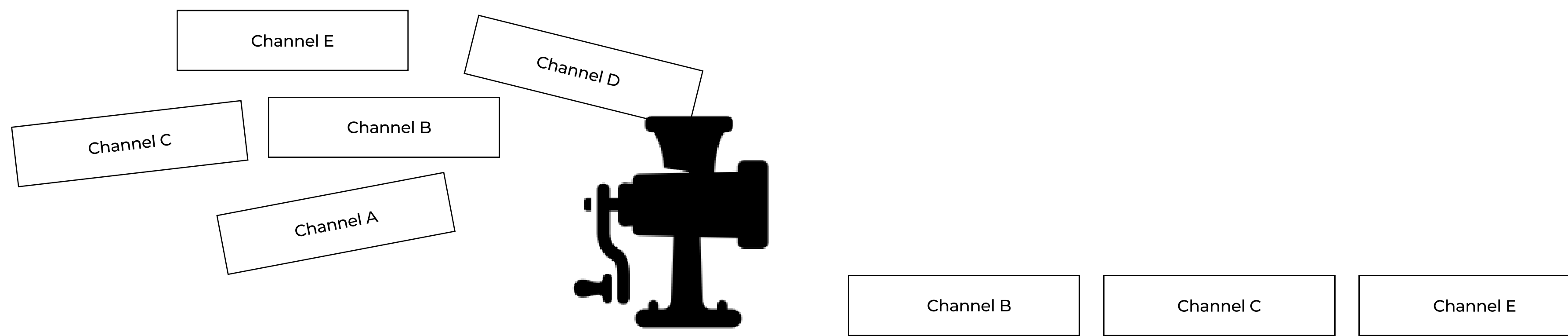
Growing the right way



03 **Big Bang or piece by piece?**

I am not a friend of big launch campaigns for unproven products. I prefer a **continuous testing strategy and piece by piece adding channels** to your existing foundation. As experienced marketers will tell you, starting with a blank slate is a blessing because it's easy to see the impact of certain marketing activities.

Imagine you are building a pyramid. SEO and SEA are the foundation blocks and on top of them, you put the channels that successfully passed the testing phase. This way you will also make sure that you don't waste money. Start your testing well before what you assume will be the main season. Let's say you assume that the holiday season will be the strongest season. Rather than planning a big bang during the holiday season, start testing early. Ideally, you will have several proven channels by the time of the peak season and then you can fire on those channels, minimizing the risk of failure.



03 Managing channels

Many start-ups hire young talent for plausible reasons. Experienced employees are expensive and the hope is that highly motivated young talent quickly bridges whatever knowledge gap exists.

Two areas where I recommend going with **seasoned veterans** however are SEO and SEA. Those are also areas where going with freelancers can be the best solution for young start-ups. Hiring freelance experts for one day a week should be enough to set up the channels and keeping them running. At the same time, this will allow you to remain flexible which is key for quickly evolving organizations. I had much success with hiring experienced freelancers at an early stage and later hiring young talent to learn from the veterans.

If you consider going with an agency make sure that:

1. **You know exactly who is working on your account.** You don't want to pay an expensive retainer for Junior Account managers with little to no experience. I have seen that many times and unfortunately this still happens.
2. **You stay away from performance deals** where you pay the agency based on the increase in revenue or sales. This might make sense in organizations where you already have reached a certain performance level and want to reach the next level. In the case of start-ups you might not be even aware of the potential and signing such a deal might be a costly mistake.
3. **You avoid retainers with long cancelation periods.** If you are not happy with an agency or if a channel simply does not perform as expected you should be able to cut costs quickly.



03 Tracking Marketing Success

Identifying the right metrics and KPIs for your business is key for the continuous monitoring of your marketing success. Also, avoid the temptation of measuring everything that you can measure. For example, if you identify conversions and cost per conversion as your main metrics, do you need to measure clicks and related metrics?

A useful marketing dashboard should always be:

- Lean
- Daily Updated (ideally live updated)
- Easy to grasp for all stakeholders
- Combine channel metrics as well as holistic company metrics

Let me quickly elaborate on this last point: most organizations use last-click attribution models. However, we also know that this attribution model tends to favor certain channels such as Google Ads while other channels might be punished though they play an important role as a touchpoint in the user journey.

Therefore it is important to also look at the holistic company performance when evaluating campaign success. At first glance, a campaign might perform extremely well based on direct conversions but taking a step back and looking at the bigger picture might reveal that those incremental sales come at the cost of another channel. Therefore in this case a holistic KPI such as Incremental Sales might be useful for identifying such a cannibalization effect.



03 Tracking Marketing Success

A comprehensive list of digital marketing metrics and KPIs can be found here: [🔗](#)

Again, not all metrics and KPIs might be the right choice for you. Therefore select carefully based on the nature of your business.

For an initial dashboard, you don't have to get fancy. It's perfectly fine to use tools such as Google Sheets, which has the advantage of providing many automation options.

We have been talking a lot about performance metrics, I want to emphasize that marketing success of course can also be measured in terms of an increase in brand awareness and using related **brand KPIs**. So how to track for example brand awareness, brand recognition, or brand image?

Brand Tracking

The tool that I used for tracking brand development is called **brand tracking**. Brand trackers are quantitative online surveys that are conducted in regular intervals (usually once or twice a year) and track metrics such as brand awareness, brand recognition, and brand image over time.

Brand trackers make sense if you for example plan a big campaign and want to monitor how it affects your core brand vitals. In this case, you need a reference measurement before the start of the campaign and a second survey after the end of the campaign. Outside of big campaigns, I recommend such brand tracking once, at most twice a year, because brand metrics are very slow to change.

Brand Tracking makes sense for organizations that have already established a brand identity and communication guidelines. I don't recommend it for early start-ups who are still in the identity-seeking stage.

Parting words

That's it for today. I hope you had a good time reading this little eBook and I was able to provide some inspiration and applicable insights. From a marketing perspective, many roads lead to Rome but some roads are bumpier than others. Do those three things and you are off to a good start:

1. Build a strong **performance marketing foundation**
2. Define **clear benchmarks** for your marketing performance
3. Create a **central marketing dashboard** that is permanently updated

Do you need support? At mrkt'in we are eager to help you write your success story. Find out more on mrktin.eu.

Ready to cut the crap out of your marketing?

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