

CEI 019: Remarketing (Adam Burke Interview)

Opening

Hi there and welcome to episode #19 of Connect Engage Inspire, the Firepole Marketing Podcast with Danny Iny, creator of Firepole Marketing and the bestselling author of Engagement From Scratch. Online entrepreneurs like you tune into this podcast every week to learn how to build and engage an audience that connects with humanity and drives their business to success.

Today's episode is part of our old favorite series, where we republish a really good piece of content that has disappeared into our archives, in this case an excellent interview with Adam Burke from Adroll all about remarketing. Let's get on with the show.

Danny Hi Adam. Thanks for being with us on the call today.

Adam Hi there. You are welcome.

Danny For the benefit of our listeners, Adam Burke is the president of adroll.com, a remarketing company that caters to small businesses. Adam tell us a little bit about Adroll, where you guys came from and what you guys do.

Adam In terms of background we founded the company in around the end of 2006-2007 with a pretty general mission of trying to improve on the options that were available for display advertising. At the time search was growing at an unprecedented rate for any marketing channel in human history really and display was sort of the afterthought and sort of not even an afterthought, but it was viewed fairly negatively. It was sort of used as a branding channel for a few big brands on mostly premium publishers and then everything else there was a major drop off. After that it was pretty much just the junkie dancing aliens and punch the monkey and a lot of these remnant gamy just carpet bomb ads. There was nothing in between.

We looked at what was driving the growth in search and it was really these small and mid-size businesses and a lot of e-commerce and those folks loved search for a variety of reasons. First off it delivered a very tangible ROI. You could put a dollar in and with some tweaks and optimizations

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and a few tricks you could see more than a dollar out in sales and so it worked essentially from a performance perspective.

Also the barrier to entry was not that high. You could start a campaign and dabble in it and not have to talk to a sales person or an expert, at least not to get started. You could have some level of self service and control and kind of do some things yourself and get going quickly. It was very transparent. You had a lot of visibility and insight into what was performing well and you could make tweaks.

We wanted to apply those same tenants over display advertising and that is what we went about building a true software to service platform that let any size advertiser get access to display advertising tools and run campaigns in a variety of ways. A client can have the transparency and insights and not have to work with a consultant or sales person out of the company to run a campaign.

Danny

How are you guys doing? You have been around since 2007. You must be doing pretty well.

Adam

Yeah things have really taken off, given our mission was to improve upon display advertising and the fact that our assessment of the market was. We've done a lot of things right and we've gotten lucky in a lot of cases. One of the things that we did right was to recognize the potential in display advertising and so we were very early to kind of build this type of platform that made display more like search. We were one of the first companies to do it and one of the first companies to leverage exchange inventory. Instead of trying to build an ad network we realized there was already plenty of inventory you could tap into.

The trick was how to target it and that is where we took another major lesson from search in realizing that what really made search work is that it is powered by intent data. Google has this magic little box on their site that everybody in the world goes to and types in exactly what they want to buy and exactly where they want to travel and exactly what kind of content they want and that is called intent data. That is the most powerful data with which to match ads and so we went about trying to figure out how to bring that display and we realized very quickly the way to do that was retargeting. Every website has a treasure trove of intent data that at the time not a lot of folks were doing a good job of capturing. People give you intent data not by feeding it intentionally into a box like Google, but by looking at certain products or going to certain areas of your site or taking certain actions and you can use that data to segment and target people and adjust your campaign. And if you kind of take the same

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approach as you would in search you can achieve similar ROI to that search because it is all powered by intent data.

Danny That is really cool. Adam let's back up a little just for a second. What is remarketing for people who aren't familiar with the concept?

Adam In its most basic form it is the ability to focus ad campaigns and target specific users who have visited your site and either done or not done a certain action. That is sort of the basic use base of retargeting, but what it is then is understanding the behavioral patterns of people on your site and adjusting campaigns to best leverage that behavioral data. Not everybody who visits your site is ready for the same message or the same ad and retargeting in a more advanced application allows you to match up your messaging and your budget and your targeting based on what people are doing on your site, to help educate them and bring them through the process of becoming a customer.

Danny Can you give a couple of examples in terms of what that may look like in practice?

Adam Yeah sure! If you go from two ends of the spectrum, someone who maybe comes to your site and looks at the home page, reads around a bit and leaves is a very different type of person than someone who has viewed multiple products and maybe put some things in their shopping cart and then abandoned from there. One is much further down the conversion funnel than the other and so whereas you might target the person who went to the shopping cart with an offer or something like free shipping or something along those lines, someone who has abandoned the home page still needs to be educated on the value proposition of what it is you do. Their value is very different. That message, that upper funnel message is probably worth a little bit less to deliver than someone who is just about to convert. If you can kind of sweeten the deal or just stay in front of them a little bit more. Those are areas where you probably want to bid different amounts, prioritize your budgets in different amounts and also deliver different messages.

Danny I am very interested in how you put together your business model. The kind of default go to gut reaction of everyone who is thinking of getting into display advertising in the way that you are is I need a display network and to get a whole bunch of websites to come on board and give me space and then I can sell that space to other people and you guys went a completely different route.

Adam When we were starting the company and we were just getting off the ground, out of necessity we realized we needed to keep one side of the equation constant. The major disadvantage that any ad network has is

that they are trying to optimise for two sides of the equation. They need to make their publishers money so the publishers stick around and they need to run effective campaigns for their advertisers and that means paying very little for inventory. That can be a little bit challenging and can result in some conflict even internally.

One of the things that at Adroll we realized very early was the power of online advertising exchanges. At that time it was Double Click and now it's acquired by Google and there is Double Click Exchange that sometimes is called Adex. There is Yahoo Right Media. Microsoft had an exchange called Ad ETN and that has evolved over time also, but the trend has really been for these large inventory aggregators and exchanges to make their inventory available to folks like us and that makes our job a lot easier. Then all we need to do is figure out the best way to run a campaign for an advertiser. You don't need to worry about making publishers money. All we need to worry about is running really effective campaigns for advertisers no matter where that campaign might run. We don't care if it runs on Google or Microsoft, Yahoo or AOL. We just care that it delivered the best possible results for the advertiser. That has really given us an advantage in running profitable campaigns for our customers.

Danny

So practically speaking if I were to come and set up a campaign with you guys where would my ads actually be running?

Adam

We are integrated with over thirty plus inventory sources and so instead of having to work with hundreds or thousands or tens of thousands of individual publishers we work with large inventory aggregators, be that Google or Yahoo or Microsoft or AOL or twenty plus other more niche ad networks or what are called yield optimizers. We use folks like Pubmatic, Admeld and the Rubicon Project, folks who worked with publishers to help them manage their ad inventory. We can integrate with them and buy in real time. Also that allows us to cherry pick the best performing inventory pieces from across all of those sources and that just from a pure math perspective is going to work better for the advertiser than having to take the good and the bad from any single source, whether that be just Google or just Yahoo or any one source you might pick out. Being integrated across many results in a more optimized and more efficient campaign than buying only from one.

Danny

What is the process of actually setting up a campaign? For example is it a lot like setting up an average campaign to run on the Google display network?

Adam

It is a lot like that. That was one of our goals as we were investigating ways to make display more effective. One of the different approaches that we took, a lot of the businesses were focused on display and a lot of them

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that still are are more service oriented models where you have to have a fairly large budget because their approach is going to be to work with a sales person and there is going to be a lot of manual steps in the process. We decided to take a more technology driven approach and leveraged a platform that allows us as well as our advertisers to set up campaigns in a simpler and more automated fashion. So any size advertiser can set up an account and actually start with a free trial and get off the ground and test some things very easily and without the need for a lot of back and forth and negotiation and so forth.

Danny And what is the cost of doing that past the free trial?

Adam We have no minimum spend. It is all about the ROI is and as the ROI improves advertisers usually increase their budgets, but our cost is just based on the actual cost of the inventory that we buy across all of those sources. We are very transparent in the way that display advertising is bought in those exchanges and it is on a bided CPM basis. Thus advertisers who are using our system, what is happening is we are placing bids on those various inventory sources on behalf of that advertiser. We do it with all of this science and AI behind it where we are trying to say, this user because they went to the shopping cart is more valuable than this user who just went to the home page. We can do all of that kind of analysis behind the scenes so that when we place a bid we have it matched up to what the likely outcome is for that advertiser. Then whether we win or lose the auction there is a certain price that goes along with that just like it does in search and we broadcast that back to the advertiser.

Danny So what happens if you lose the auction? Does the advertiser still pay?

Adam No if we lose the auction it would be just like search. It would be just like using a tool to manage search campaigns.

Danny Okay so there are no regular occurring base amounts of cost. It is just whatever you are paying for your CPN just like if you were advertising on Adwords?

Adam You got it yep.

Danny It sounds very appealing for small business because you can be so much more intelligent about your advertising, but it sounds like there would also be a lot more set up overhead. I mean instead of having one ad they are going to display to everyone everywhere, which is granted very bad marketing, you've got to have all these different scenarios constructed in terms of possible paths through the site and user intent and all that kind of stuff and then you've got to do all this back end tracking right? You have got to somehow integrate technology so that our ads will know if people have been here or if they have been there. I am kind of

comfortable with technology, but I am not a programmer or anything and I am feeling like my head is starting to spin.

Adam

There are all sorts of levels of complexity. You can make campaigns very complex and very sophisticated and you can also make things very simple. Generally we would start with a very simple integration and getting things started is very easy. The only technical aspect is placing our pixel and that is the same process that everyone would go through to place a Google analytics pixel and that is something people generally are very comfortable and familiar with.

It is one pixel that goes across the entire site and in our interface we make it very easy to create segments based on the URLs that people visit. So for example if we are talking about an online retailer who sells shirts and pants we can interface. Just say I want to create a segment called pants for anybody who goes to a URL with the word pants in it. Then automatically our pixel will start creating a segment of people who looked at pants and then you can deliver an ad that recommends something or shows something about pants. It is actually very easy to set up and get the initial segmentation going. We make it very simple.

And then if people want to get more complex and more sophisticated and refine things further we can do things with Dynamic Creative for example that actually creates an ad on the fly based on the products that individual person. That would be a more sophisticated integration that might take a little bit more time and then might be kind of further down the optimization path.

That is true with search engine advertising also. You start with a few basic keywords and then you expand them and you test other wording and so forth and you make your campaign more expansive over time.

Danny

If I am just starting from scratch, I'm moderately technical, but not super technical; I am not a super kick ass Perry Marshall style Adwords guy. What is my set up time to get started and kind of have good campaigns running?

Adam

The only variable in that equation is really traffic. Obviously in order to retarget people we need people to retarget. We generally use as a rule of thumb that a campaign can be launched once there are a thousand people to target and so that is sort of the only limiting factor. Everything else can be done within a few minutes; setting up the account, getting and placing a pixel, setting up a few basic segments and uploading ads and then we just kind of need to wait until people are on the lists and on the segments and then the campaigns can launch.

Danny

I am sure you have like excluder rules so that people who have already

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bought don't get marketed to again.

Adam

Yeah great point! There are all sorts of projects that you can use to target two groups simultaneously or ignore one or negatively target one. And per your point some of our clients' best performing campaigns are ones to people who have bought, but have not bought within 30 days. That would be sort of a more advanced tactic, whether it would be 30 days or 60 days or whatever the appropriate time is. So stop retargeting after the person has purchased and then re-engage with them at some point down the line when they might be interested in the market again.

Danny

Cool now let me ask you a different question in terms of who this is for. Is this appropriate only for online businesses. I've got an e-commerce site and I'm trying to get people to come and check out the content for whatever they are buying or is this appropriate for other kinds of business?

Adam

Well certainly online businesses are going to have the most tangible ROI and so you need to track those conversions from a view or a click to a visit to a conversion, but offline businesses see great benefit too. This is especially true with retargeting because there is such a strong qualitative benefit from the fact that you are staying on top of the line with such a highly targeted group of people. So smaller or even local businesses can implement a retargeting campaign and then all of a sudden people who have been to Jim the mechanic's website will start seeing ads for Jim the mechanic on major publications like CNN and New York Times and Wall Street Journal and the Huffington Post. That makes a serious impact and allows Jim to cast a very broad shadow to a very small group of people and so it is not going to cost him very much, but it is going to make a big impact.

Danny

Fantastic! Adam I want to wrap up, but I want to ask you one last question that we ask everyone who we interview. Let's say this has been a fantastic interview, which it has been, and our listeners have been blown away and they are like wow! I've got to get on board with this remarketing. It is affordable and it talks to exactly the right people. It is awesome. I need to do it. I am so sold on this that I am going to clear my afternoon. I am clearing three hours this afternoon to get the ball rolling. What should they do with those three hours?

Adam

Well it all starts with placing the pixel. There should be no cost to collect what we call your intent data, what people are doing on your site. Get that pixel placed. Create a few segments and there is no rush to even start spending money. If you kind of have those segments developed and you start to see how they populate then you can start to think about what type of creative you might want to target them with and how much you want to

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spend and so forth, but there should be no cost to placing a pixel. At least at Adroll there is no cost to associating with that. Placing the pixel and creating those segments is going to take way less than an afternoon. It should only take a few minutes. I think that would be the highest value thing to do. Just don't let those people come into your site and leave without having that opportunity to follow up with them. That is a major lost opportunity.

Danny Well there you have it. You need to clear your afternoon, go to adroll.com and create your account, place a pixel on your site and then with the rest of the afternoon you can take it off and go have a drink or something because this really shouldn't take very long.

Adam I would recommend Specialty Cookies because that is what I am going to do.

Danny Adam thank you very much. This has been fantastic. I really appreciate you taking the time to do this. I enjoyed it and I know it is going to be very valuable for our audience.

Adam Absolutely my pleasure!

Closing Thank you for tuning in. You were just listening to Connect Engage Inspire, the Firepole Marketing Podcast. If you enjoyed the show we'd very much appreciate a rating and review here on I-Tunes and make sure to head over to firepolemarketing.com where you can get free access to top rated marketing books, dozens of reports on engagement and audience building, access to expert Q&A with Danny and a whole lot more. And of course stay tuned for upcoming episodes on marketing, engagement and successful online business.