PERPETUAL
TRAFFIC
PODCAST
DIGITALMARKETER

FACEBOOK'S OFFLINE EVENTS: THE NEW WAY TO TRACK THE UNTRACKABLE

EP. 102

with **Keith Krance, Molly Pittman & Ralph Burns**

Keith Krance: Hello and welcome to Episode Number 102 of *Perpetual Traffic*. We are in Austin, Texas at DigitalMarketer headquarters, Ralph, Molly, myself, and Scott Desgrosseilliers. Scott and me are sitting right next to each other sharing a microphone, hugging each other.

Scott D.: Hi.

Keith Krance: And the reason we've got Scott Desgrosseilliers today here is because he's an expert on tracking ROI from your paid traffic campaigns. He's the founder of Wicked Reports, which is amazing software. Almost every single one of our clients is a customer of Wicked Reports. We recommend it to most all of our customers as well. And, we're going to be talking about Facebook Offline Events.

If you're somebody that has clients, if you run traffic for clients, whether they have an offline business, a retail store location, maybe a restaurant or a gym, or ecommerce products then this is going to be relevant to you.

Molly Pittman: I think this is huge, even if you're not a local business. If you're a business where some action that you care about, whether it's a lead, whether it's a sale, whether it's someone attending your event, whether that action happens in a place where a pixel can't track, this is important to you. Big picture, you're seeing Facebook start to track the "untrackable." So, we've talked a lot about why is digital marketing great. Why do we all like digital marketing? Well, it's cheap. You can buy traffic for as little as like five dollars a day. And you can also track most of the actions that happen. So it's why something like a billboard is tough to justify as a marketer because it's really expensive, so you have an incredible investment, one time investment.

And you can't necessarily track the results. It's like, when big brands track brand lift. They're tracking brand lift because they're spending so much money. And their products are sold in so many different ways and in so many different places that they can't really track the ROI of a particular campaign and, at the end of this episode, I know that there's a sound clip from Ryan Deiss, he was in the room here with us earlier talking a little bit about what this means, big picture. And there are definitely some issues with it but, for us to have the ability to upload data that didn't happen online and overlay that with your Facebook data and figure out how many people have actually seen your ad is huge.

So, I think this is definitely the first step in us being able to track people wherever they are, right? And whatever they're doing and figuring out if they have interacted with your ads in the past.

Keith Krance: Really today, Scott, you're going to be explaining how all of this stuff works.

Scott D.: Well, I mean our mission at Wicked Reports is to turn small business data into money. And in this case, Facebook came out with a game changing thing that any business can use from any ad spend. And it has a multitude of benefits, and a few caveats that you got to be aware of. It's called Offline Events. But what Facebook means by offline event is something that the pixel can't track. And the reason why this is important for any business is that it's tracking real leads and real sales.

So, not that the pixel isn't always tracking things that are real, but there's occasional complexities and dramas with the pixel that happen for all sorts of reasons.

But, an event is, you're telling Facebook, "Here's a real sale that happened in my business, or here's a real lead." And you can upload those things and then Facebook will let you know what was the last thing that that person viewed or clicked on in the Facebook ad platform.

So this has a lot of repercussions. You can be an offline business, a pizza shop, a restaurant, a florist, a dry cleaner, you run an ad, you have no idea really did it present a lot of sales lift because maybe you have fifty sales in a given day, that's not maybe so many that normally the pixels going to even see because people come in to your store to make the purchase. Well with this capability, if Facebook can detect the person, it's going to tell you, "Hey they last viewed or saw this particular ad." Which gives you some visibility that hey my ads are leading to real, trackable things that matter in my business.

Molly Pittman: So just for people that have never seen this, so you find it in Business Manager. It's in the Business Manager tab, it says, "Offline Events." It's really similar to uploading a data-custom audience. You're just adding information about the actual purchase too.

Scott D.: And then you have to approve of the policy Facebook has regarding, hey you're going to share customer sensitive data and there's no legal ease around that. You create an Event Set, and then you get your data in the format they needed it in. Which, the more personal info you send, more accurate it's going to be. And so, if you have phone number, address, name, email, zip code, you're going to get really good tracking.

Molly Pittman: They have it in two different categories so, when you're uploading your customer list or your email list, Facebook has different identifiers, right?

So you can upload based on email address, phone number, mobile ad ID, first name, last name, zip code, city, country, county, date of birth, year of birth, gender, age, Facebook app user ID, Facebook page user ID, external ID, and lead ID. Obviously, you don't have to have all of those identifiers, but those are all things that Facebook will match.

So, if you're uploading buyers or if you're uploading leads, the more information you have, the better. The higher your match rate is going to be. Even if you just know that it's Ralph Burns in Boston, that might match to Ralph's actual Facebook profile if those identifiers are on his page.

But also, they have event descriptors. So, this is what's different from a data-custom audience. You're not only uploading the identifiers, right?

Which there were seventeen, you're also uploading these event descriptors, which are things like event times. So at what time did they purchase the product? Event name, what did they purchase? Value, how much did it cost?

Ralph Burns: Yeah, and I think the thing is with this is that the more identifiers and the more event descriptions that you have, the better because I mean I think this is an additive solution and in some cases it really won't be relevant to your business. You won't really need to do this. And, if you're purely online, chances are you're getting pretty good tracking just through the regular Facebook conversion event, or an online conversion as Facebook would identify it, through your ads manager, which is, in most of the cases when we've tested it, that's still been the dominant way in which we track ROI.

But, this is definitely a step in the right direction, and as you'll hear later when Ryan talks about this, it's another way in which Facebook is now identifying the fact that, you know, if you are not at least spending some money on advertising, if you're a local business or physical products business, this is an additive effect to it. And a lot of folks are looking back and saying, "Well, you know, if I spent a hundred dollars on Facebook, how do I actually know if I got a hundred dollars plus in return? Well, you might never get perfect data here. But, at least this is an attempt to go in that direction. So, you can have some causation towards an earlier event, which in this case, is a Facebook ad.

Molly Pittman: Even at DigitalMarketer, we sell a lot online. So, most of our tracking is done through a Facebook pixel. But, last year we added a sales team.

So, a lot of conversions and sales are happening over the phone, or inside of a personal email conversation, so it's harder for us to track those sales. This is the perfect solution for us. We can export those people, upload it here, and see how many of them interacted with one of our ads. But, obviously I think it's great for local businesses. Can you think of any other use cases, Scott?

Scott D.: Dentists and Lawyers, healthcare, chiropractors. They can run an ad and they can just say, "Hey, come into my office in this certain time-frame and you'll get this, and rather than have to have some convoluted process to track it, it's going to show them, "Hey, did the people here in my service business see an ad within a certain timeframe?

Molly Pittman: Yeah.

Scott D.: So it's huge value. If people are goanna see a video of any kind and then make a purchase, or join your list, that's been always challenging to track, as someone who tracks for a living. And now, it won't be.

Molly Pittman: So, how does it work exactly? They've seen an ad in the last infinity?

Scott D.: So you can set different windows. Their default is thirty days back. And what's going to happen? Let's say Ralph from Boston buys. What does he buy?

Molly Pittman: He buys a fishing pole.

Ralph Burns: I buy a fishing pole because I do a lot of fishing.

Scott D.: Okay. Nine days ago, Ralph was just captivated by someone pulling a brown trout out of the stream on his feed.

Molly Pittman: He needed to become one with nature.

Scott D.: It took him nine days to go into Joe's Angler Shop. He goes in and he buys lures, he buys a pole, he buys his weighters, he gets all into it. Then, Joe's Angler is like, "He's dealing with fish all day and he's paying someone local." You know? I don't know, five hundred bucks to run his ad maybe. Well, that guy's running his ads and, you know, Joe at Joe's Angler Shop isn't really going to think to do much tracking on that.

So, his ad consultant can upload the sales. Ralph, Boston, Mass, zip, probably address for his payment. Well, Facebook can match that and then the consultant, even though maybe there was no tracking, maybe they created, you know, landing pages and all of this elaborate stuff and Ralph didn't care. He was so excited he dropped his computer—he couldn't opt-in.

Ralph Burns: Dropped my iPhone in the water.

Scott D.: Well, then this is going to capture him. A fair amount of the time, Facebook says sixty to eighty percent, so let's call is seventy. Seven out of ten of the Ralphs are going to be captured. So, it's not fool proof. It goes back thirty days in time. So, it's not necessarily saying, "They saw this and immediately bought." But, it's evidence that buyers are seeing this thing before they do it, and that's a leap forward for sure.

Ralph Burns: And prior to this, you had no tracking.

Scott D.: Nothing!

Ralph Burns: It's zero.

Molly Pittman: Yeah, it's validation.

Ralph Burns: So, in that use case, it's perfect. And I'm very excited to take up the sport of fishing now.

Molly Pittman: I also think it also keeps you from having to put some sort of special coupon code in the ad, right? Like, come to this restaurant, use the coupon code 15-M-X-D-W-Y, and you're like writing it down, having to remember it, and then you expect people, patrons to come in your store and use that coupon because it's the only way that you can track. Some of them will use it, but honestly, that's a terrible user experience. I don't want to go into a restaurant and be like, "Oh yeah, and for my 10% off, here's my code."

Keith Krance: Right.

Molly Pittman: Like, most people just aren't going to do that.

Ralph Burns: Don't remember.

Molly Pittman: So it keeps you also from having to use some kind of goofy code, or some back-ass way that you're trying to track people coming into your store, it's creating light where there is total darkness.

It's also great for people that do online sales but also have retail stores. So, we were talking about someone like Bass Pro Shop. They're running a lot of ads. They're running a lot of awareness ads and people can buy a lot of their products online. But, they're unable to track the effect that their digital marketing efforts have on anyone that walks into their store, right? That's just added benefit at this point.

So, even though it's not perfect, the ability to say, "People that are coming into my store can be attributed back to a particular campaign." I think it's a pretty powerful at DigitalMarketer.

We sell online but we also have products that are sold where no pixel can reach. That's the big power here.

Ralph Burns: Yeah, and so in that case, you look back into your ads manager and you say, "Oh! Well, ad number one for interest grouping three was the thing that got Ralph to buy the fishing pole. When, in fact, yes as a Facebook advertising agency, I would absolutely say that. But, in fact, is it really the event? It might have been the thing that created the awareness, or it might have been thing that started the research, or it might have been the seventeenth thing that I did prior to actually making the purchase, you don't know, but at least you have some idea of tracking, of attribution back to a paid traffic source. It may or may not been the smoking gun that lead to me buying this very expensive fishing pole.

Molly Pittman: Yeah.

Ralph Burns: And all the other stuff, but at least it's something. Whereas, before you didn't have it at all.

Molly Pittman: And I think that's what you guys will hear in the conversation at the end of this episode. I think conversions around tracking and everything that Scott does, Wicked Reports is really powerful. Being able to know down to the penny how much trackable money you made from a particular campaign, or an email, that's incredibly powerful.

But, you can really pigeon hole yourself by trying to over-track too. I definitely believe that because, if you're trying to track everything down to the penny, you're not taking into consideration the other effects that your marketing has, right? So, if it's that one ad that got Ralph to come into the store, that doesn't mean that other ads are bad, right?

In Ralph's relationship with your business, he was ready to buy after he saw that ad, great. But, Ryan makes the point that even in a relationship, or when you're proposing marriage, you can't track her saying, "Yes." Back to that one birthday present that you got her. That one date that you went on. It's a cumulative effect. So, always keeping that in mind when we're talking about tracking and that no marketing, unless it's a bad message, has gone to waste in my opinion.

Ralph Burns: And this is, you now, indifference towards our guest here. And this is where Wicked Reports actually is very beneficial. In actuality, it really does track everything past that thirty-day window. And, for regular conversions, it's twenty-eight days. And we see this all the time with customers where you can actually track inside Wicked Reports. You see when did Brian Jones buy the 297 dollar product? Well, he bought it yesterday. But, what led him to that event?

Well, he first clicked on and ad back in November. Then he opted-in first week of December. Then he opted-in again to another Lead Magnet in the middle of December. Then he bought a Tripwire. Then he bought another thing. And then, finally, he bought the 297 dollar product here in May/June.

So, all of those clicks, all those actions are actually trackable back through Wicked Reports, which is very cool. And it does help validate, at least that's one of the reasons why we use it, as a standard sort of insertion for any new customer is that we have Wicked Reports data tracking there because it does track the long-term value of your ads, and a cumulative effect of what they did. But, the Customer Journey is not linear. It's like chaotic. I mean, everyone takes anywhere between one click and twenty-seven opt-in's and clicks and purchases to get to where you want them to be.

Molly Pittman: Right.

Scott D.: There's no method to the madness, but you can actually see it visually inside Wicked Reports, which is wicked cool.

Molly Pittman: Yeah, and that is what makes Wicked Reports so powerful is that you can look at a campaign that you started running a year ago, and realized that you've generated so much more revenue from that campaign than you did within the first seven days of its existence. And, even though that's not the way we're always tracking success, we want to make our money back within thirty days. It gives you a sense of relief, or your boss a sense of relief or whoever's money it is, a sense of relief to know that these campaigns have a much higher lifetime value if done right, than you expect.

And that's the power of something like Wicked Reports being able to figure out on average, at DigitalMarketer, someone purchases 2. 3.

So, we're going to call it 3 Tripwires, before they actually become a DM Lab Member.

(NOTE: Not a Lab Member? Try it for just $1.)

Well, that's really important for us to know. Without that metric, without Wicked Reports, we wouldn't know that we needed to be patient ... That people need to buy two to three of these things before they actually become a monthly continuity member of DM Lab.

So, the numbers are very powerful. But, holding yourself to unrealistic numbers, needing to break even within a few days, you're losing the big picture, you're losing the real benefit of what marketing does for your business.

Ralph Burns: People get excited if they make twelve, fifteen, or twenty percent annually on any kind of investment, whether it's a stock market or real estate, right?

But, they don't understand if you put a thousand dollars into your business in January, you go in December look at your Wicked Reports, you're like, "Holy crap! That thousand dollars actually generated ten thousand or twelve thousand? And this many leads and like, oh my gosh, I'm building these assets plus my return wasn't twenty percent. It was actually three thousand percent." Because you're looking at it at an annualized basis.

Scott D.: Originally, when I was looking at attribution, I thought it was just, oh show the ROI and I'm done here. And really, I've became, what question are you trying to answer, and what are you going to do with it? And that's what led me to invent the idea of first opt-in attribution, which was where did you find your best customers? Well, where you first found them was how they first joined your list.

That's a big commitment, to opt-in and then, someone going to start emailing you, push notifying you, just be-

Molly Pittman: Who does that?

Ralph Burns: Re-targeting the hell out of you. Who does that in this room? Nobody?

Scott D.: Only you guys, very, very well. I see all your grills following me around the internet.

And so, that's a big commitment. Especially nowadays. But, that leads to the purchase. So, if you're just running things on the last click, or in this offline conversion of risk of it is if you just try to say, "Hey, Facebook's showing me theses are where my sales came from.

I'm going to triple my spend here and show it to all these new audiences, that may or may not work because you need to know where they are in the whole Customer Journey. And so that was kind of why we led back to, "How did you find the lead first?" A year ago, I saw some crazy like seventeen thousand percent ROI someone had, and they weren't even running to the ad set. Some music person had done and ad set with you guys and turned it off, and then they saw oh hey, where's all this money coming from? And the leads were killer! But it's like, think about anyone with a lot of disposable income. They're not just making rash purchases on Facebook every day. That's probably why they have a lot of disposable income.

Molly Pittman: Yes.

Scott D.: So, you've got to earn their trust, you got to validate it, they're going to call and vet you, they'll look up reviews, but those are like the killer leads.

Molly Pittman: Yeah.

Scott D.: Those are they killer leads, so they either more expensive-

Ralph Burns: Exactly.

Scott D.: Or they take longer and you've got to earn their business. But, then when they buy and it's ninety days later, you know where they are, you're going to make a lot more of it because then you know where you found them.

Molly Pittman: Right.

Scott D.: You still got to do all these other things but, that's key point.

Molly Pittman: That's a big reason we did add a sales team here at DigitalMarketer. They're not cold calling anybody. The sales team, and I'm putting that in quotations because they're really not even a sales team, they just talk to people. So, the people that need that extra conversation, we generate the lead on Facebook. They're on our email list, and they start to see some of our promotions, but they're just not sure. They either don't trust us, or they have extra questions. Well, the sales team is just there to talk to those people to help overcome those doubts to help validate whatever they need to validate, so that that person can make that purchase. It's a much longer sales cycle and we're paying for a human to talk to them. But, it pays off in the end especially when you're at a certain amount of scale in a business. You're reaching the people that aren't are product-aware, or aren't as solution-aware. So, they need a little bit of extra time to actually purchase.

But, again, I think this is very powerful not just for what it is now, but it's also showing where Facebook's going, right? They realize that they have to validate and justify that they're advertising works for people who can't see the sales right in front of their face. So, imagine where this will go. I'm sure, eventually, Facebook will be able to tell you how many people entered your store because they know where you are on your phone from a particular ad. I think this is going to go way past uploading CSV files. This is just the beginning of Facebook continuing to justify that their advertising works.

Ralph Burns: It's in their self-interest to do this, of course because I mean if you can point back to the fact that Facebook had something to do with that offline conversion event, then obviously, that person who is running those ads is going to continue to run those ads. I mean, it's just smart business to do this.

It really isn't that complicated I don't know why they waited till November to do it, but I mean there is some cases where this is absolutely not useful at all. And we've done this because we've got customers that, in the agency that are primarily all online sales. So, we actually did a test where we had about a thousand sales, and then with a regular conversion every, and then did an offline conversion event, and we found that there was about a thirty percent difference between the two. The uploaded CSV didn't actually match the user ID's and all the information that Facebook has from that original Facebook conversion event. So, therefore, it was somewhat useless for us. So, I mean, there is cases where this is not like panacea, "Oh, finally I'm going to get the greatest tracking and everything is going to match." No, it's not going to. So, in that case, it's a waste of time.

If the most of your conversions are coming online, this really isn't going to be all that helpful because what would be helpful is if these two list the offline conversions as well as the online conversion list, were mutually exclusive. Basically, meaning that they remove the duplicates so that you did get sort of a master list, or a master number for offline plus online conversions. Right now, that isn't happening, so people get very confused with that and they're like, "oh, well, you know if I actually did Offline Events or offline conversion versus my online, it actually shows that I'm getting seven hundred conversions, whereas in your data, an online conversion is getting thousand conversions, but seven hundred must be true. No, that's not the case. The data is not perfect by any stretch, but I think the big takeaway here, and we actually debated this before we started the show, and the reason why we're not really using it much is because of that point. But, we don't have a lot of local businesses.

We don't have a lot of physical bricks and mortar type of customers. We serve as an agency, so we wouldn't probably use it as much. But, I can definitely can see where it would be helpful

Molly Pittman: And let me put that into context because it was confusing to me and I argued with Ralph until I realized he was right.

Scott D.: You can say that again, by the way.

Molly Pittman: Ralph was right. So, if you're using Offline Events, remember that data is not going to speak to your pixel data. For example, the reason that this would work for us at DigitalMarketer is with our HQ product. The only way that it sold outright, the only way that you can actually buy it at full price is by speaking to a member of our sales team. Online, you can start a fourteen day trial of it, but you can't make the actual purchase online.

So, if I were to upload our sales data of people that purchased HQ outright as offline even data, it would be totally accurate because Facebook would tell me how many of those sales actually came from a Facebook campaign? Now, the reason that that would work is because there's no other way to purchase that product than offline. If we were selling HQ at full price online, and I was uploading this offline event data, there would be a lot of crossover that Facebook is not yet able to identify. So, hopefully they will fix that issue. But, just keep in mind that if you are uploading that data, and there is a way to purchase it online, there may be some overlap. It doesn't mean that you shouldn't use it, but keep in mind that it might skew your numbers.

Ralph Burns: Yeah.

Molly Pittman: So, Ralph, as an agency, doesn't want to go to his clients and give them bad numbers. Right?

Ralph Burns: Right.

Molly Pittman: But, if you're running this on your own and you know that the money that you're spending, more is coming back to you, it's fine. Use this and see how it works for you. If you want perfect numbers, definitely don't use this because there's going to be a huge overlap between the two if there's a way to buy this online.

Ralph Burns: In this case, like for the one customer I think this would be useful for, they were selling this baseboard replacement overlay for heating unity, typically in the northeast and places where it's colder than it is here in Austin. It's not ninety degrees every single day. They sold their product. We ran their ads for three plus years, they sold their product exclusively on Home Depot. So what was happening is that what we did is we created campaigns that were link-click ads because we could not put a Facebook pixel on Home Depot.

They would give us the authority to do it, they wouldn't give us an affiliate link, that wasn't very nice of the.

But anyways, every once in a while their credit card would fail or something like that and I'd get an urgent call like, "What happened?" Panic! Nobody's buying these things anymore! So we knew we couldn't necessarily say, "Oh, well this Facebook ad is leading to this many sales. But, we knew as soon as the Facebook ad stopped, the demand stopped in the stores.

So, where this would be really helpful, Offline Events, is that if we got an uploaded list, and they did actually get customer lists of people who purchase this product. If we took that CSV, I don't how many fields, say its name, address, phone number, credit card data, whatever it happens to be, time of purchase, timestamp.

If we could upload that into Facebook in the ads manager for those ads, we could now see return on it.

We could now see which ad is leading to which potential sale and how many sales, and attach a monetization roughly because we knew the average cost of sale. So, in that case, this would be an absolute game changer for them.

Keith Krance: The reason why Facebook is doing this in general is because so many people doubt the impact of all of this, with all of this is happening, I think this is a great segue for our conversation with Ryan, is this story that you just told because basically, they were not doing any other marketing, okay? This is important. When they would run Facebook ads, they would have a link out from their Facebook ads to Home Depot's website, which they had no access to at all. Okay, no their marketing, and guess what?

Their test-run with a few stores, they started running Facebook ads, so Home Depot saw their sales coming in, so they started adding that product to more store. So they rolled out to more Home Depot. And then, they continued to run Facebook ads. And once in a while, there would be credit card expiration or something like that so the Facebook ads would stop, and so Ralph would get the email immediately or within a few days when get gets the report from Home Depot from the client, "Hey, what's going on? Our sales at Home Depot slowed down. It's because the Facebook ads got turned off. So, people you have to understand, whether tracking is right or wrong, your ads, if done like the way we talk about in this podcast, are probably making a much bigger impact than you realize.

Scott D.: So, the is one caveat to the offline conversions, and that's the cross-channel attribution puzzle, which is ... let's take you guys, DigitalMarketer, or any of your clients as well. Most likely they're doing ad words retargeting, then you're going to be doing Facebook pixel tracking, Facebook offline conversion, and then you're also doing email, potentially Google Analytics to goals, or hopefully to Wicked Reports. You're tracking it somehow.

Molly Pittman: Team Wicked.

Scott D.: Yes. So, then all three are going to always try to take the most optimistic view of their performance. They're all going to claim credit. Ad words, display ads are going to go back thirty days with a view-through. So, all those ads that are following you around like Molly following me around looking at me, hey you should join Lab or whatever.

If I bought that, AdWords is going to say, "Hey, this is the last thing you looked at in thirty days. This is what made the sale." And then, Facebook with offline conversions are going to say, "Hey, that video that you saw from Ryan eight days ago, that was what converted you. And then, email track is going to show the last email click and say, "Hey, this email is what made the sale." So, you got to proceed with caution because you got to know when you're looking at a conversion point where it fits in the journey and why it matters, and where you can scale the spin; to what audience. And, can I trust this completely? And, in many cases, you've got to be really clean on that before you just back up the Brinks truck and start spending.

Ralph Burns: In all of those cases they all helped. Like, what was the one that did it? It might have been the email click if that was your last click attribution. But, was it "the" thing?

Well, everything leading up to that point, I would contend it had something to do with that event.

Molly Pittman: Right. They never would've heard of you without the Facebook ad, but the email click was the last click. And, I think this is where we all can get into a lot of trouble being really direct-responsey and what you'll hear from Ryan, he said, "Direct response seeks to give one thing all of the credit. And not that you shouldn't be measuring the effect that your different campaigns have, but back to the relationship, right? Realizing that there are many actions that lead up to the thing that you ultimately want. So it's just the way you look at it. And a lot of times, it's not that the data is wrong, you're just looking at different attribution on different platforms. So, they're interpreting the data different ways

Scott D.: I would say, at a minimum, even if you have no data, you can look at your customers order date and the date that they first joined your CRM. We call that sales velocity to first sale. It's a fancy term, but it means just how long 'til someone bought.

Ralph Burns: Yeah.

Scott D.: Because, if you can see ,in general, they're taking two weeks to buy and I have all this last-touch attribution. Then, you know, I can use this, but I don't want to use it to get leads, but once I have leads, I want to pound the re opt-in ads with this because I know it's closing people.

Molly Pittman: Yeah.

Ralph Burns: It'd be a quick way to use it without getting in the weeds of how do I set up every touch point track?

Molly Pittman: I like that, yeah.

Ralph Burns: Sure.

Molly Pittman: Scott, you're a data guy. You've built this awesome piece of software that a lot of people use in their business. And, I know that there isn't one thing, but looking at all the data you look at and the way that businesses use it, what do you think is the number one metric people should be tracking it. Is it sales velocity? What's a number one metric they can look to that if they're monitoring could really affect the decision they're making in the business?

Scott D.: I think it's first, opt and attribution, which is, what's the ROI on my ad spend that got new leads that ended up buying. Because that's what everyone wants to know. Where do I find new people that are going to buy?

Molly Pittman: Right, and even if it's not a traditional email opt-in on a Lead Magnet, think about what is that conversion that happens in your business? Is it them signing up for a demo, right? Are they getting on a webinar? Are they coming into your store? And so whatever that first interaction is, where did it come from?

Scott D.: What creates a lead?

Molly Pittman: Yeah.

Scott D.: For the first time. That's a big emotional commitment, and then as the value goes up over time, then you can start getting fancy with how long until my ROI and all that stuff. But, really everyone wants to find new leads to buy.

Molly Pittman: Yeah, and that way you can go get more of them.

Ralph Burns: All right, enough numbers. All right, on to Ryan, we had one mic hot while he was talking, so you might hear us chiming in a little bit, but not much. It's going to be just Ryan, kinda a little rant about this whole big picture scenario. Hope you enjoy that conversation and all this talk, and other than that, Scott, where can people find out more about you or Wicked Reports?

Scott D.: Well, To illustrate tracking, I set up a URL just for this called Wicked Podcast. If you go there, first of all, you can learn more, but also I'll break down how I'm tracking this interaction, so you can understand more and put more real time, your actions ...

Keith Krance: You gotta say what you mean in an accent. Say that again, the URL.

Scott D.: Wicked Podcast.

Ralph Burns: Wicked Podcast.

Keith Krance: Wicked Podcast, I can't do it.

Scott D.: Just go there. Trust me there, brother. WickedPodcast.com, and I'll walk you through the tracking of how I tracked this particular episode, and how it relates to my business, so you can see how it would relate to yours. Kind of put real interaction behind all this data.

Keith Krance: Awesome, good stuff.

Molly Pittman: Also, an upcoming episode to get excited for, the *Perpetual Traffic* team will be talking with Ryan about Ad Blockers. If you've been listening to the news, or anything that's going on with Apple, or Google Chrome, you'll notice that ad blockers are becoming even more of a thing, which is creating panic for a lot of advertisers who are worried about retargeting, right?

Are we going to be able to re target people, are we going to be able to pixel people, are we going to be able to follow up? So, Ryan Deiss is going to come on and talk about ad blockers, and really how he sees the future and how we as advertisers are going to, or not going to be affected by all of this hoopla. So, get excited for that episode.

Keith Krance All right, here's Ryan.

Ryan Deiss: How does any one thing get all the credit?

Molly Pittman: Yeah.

Ryan Deiss: Right? The problem with direct response is that it seeks to give one thing either all the credit, or one thing a part of the credit. And that just isn't how anything ever works. It's always a build.

Molly Pittman: Direct response seeks to give everything all the credit.

Ryan Deiss: It seeks to give one thing all the credit. It wants to make every little piece individually accountable, as if all of these things are happening in isolation, and that just isn't how anything ever works. Just the same way, if you bring it back to a relationship, right? Was it because you just said something really smart at the proposal? That's why she married you? No, it was a build.

Molly Pittman: Is it the one gift you gave her? No.

Ryan Deiss: Look-

Molly Pittman: It was like the dates and everything and the relationship being built.

Ryan Deiss: Exactly! It was the relationship as a whole, right. And so, I think where attribution fails is it is seeking to engineer and come up with metrics around relationship.

Right? And so, engineers want to geek out about attribution, and you'll have people arguing about, does the first thing get the credit, or does the last thing get all the credit? That was the first argument. And now everybody was like, "Well, that's not really fair." So, what we need to do now is we need to figure out what are all the different pieces along the way that impacted it. And now, let's try to proportion out which one should get the credit. That doesn't work either! Right? All of these things fail, so what are you ultimately using it for? You're using it to validate, should it be getting a lot, some, or none of your budget? That's really what you're looking at. And, if you're a skilled marketer, if you know your customers, then you got to know how are you going to allocate out your budget? What I believe that this is going to do is it's going to hopefully make digital marketers more comfortable with offline.

It's going to make it easier for them to say, "Oh yeah, this stuff that we couldn't track before, and therefore we like to pretend it did nothing, now maybe we should put some investment there. What it's going to do, and where I think it's going to wind up pissing people off is it's going to realize that, really our marketing kind of needs to be more complicated than it is right now.

Molly Pittman: Yeah.

Ryan Deiss: It's not just this one thing, it's we need to do all these other things, we kind of need to be everywhere, we kind of need to do all his stuff, it's kind of like when you're wooing someone, trying to say, "What's the minimum number of dates that we need to have at a given time to really forward this relationship on?" But you would never say that, right? You want to try to be everybody that you can to the extent that you can.

And so, I think what it could do is say, "We're not really seeing anything coming up for this particular offline deal. We always wondered if this had. This isn't showing up at all.

Keith Krance: Right.

Ryan Deiss: So, you don't use it to justify ROI. Or to speak to, does this thing have a positive ROI, you use it for budget allocation. That's the main driver. And, if you find that these previously untrackable sources, you look at it and you go, "Wow, there's more going on there then we thought." How does that not only inform additional investment offline, but how does it inform additional investment online? Because often times, your offline have an online equivalent. There's some overlap there.

Molly Pittman: But it's informing that we should continue to spin more of our budget in that particular area. Is that what you're saying?

Ryan Deiss: Yeah. I think it informs you and you spend more budget. I think you got to be really, really, careful when you're going through this because you do have the outliers that can throw everything off. So, we had one person come through and buy two hundred thousand dollar's worth of stuff, you know? That's an outlier, and now that you know it, if that is the one thing that took something from an absolute loser to a, wow that's actually a winner, but it's statistically insignificant from a number standpoint, then you probably can't count on that moving forward. The same thing happens to investors who do back testing. We want to perceive that this thing that occurred is now predictive. And this patter will naturally, if repeated again and again, will always yield the same result. And that is never really how it works, right? What it's going to wind up informing is, god dang it, look at these people how they're bouncing all around like crazy. Right?

And, what it's going to tell you is, you kind of need to be everywhere. I think it's going to tell people that everything works and nothing works. For offline businesses, I think it's critical, and I think what it'll do is I think it'll tell offline businesses that they need to be investing in online, even though they can't track it. I have heard direct response marketers make the argument that, if you're an offline business, you should not do any type of Facebook, unless you're driving them to a landing page, where they download a coupon, and they come in because if you can't track it, what's the point?

What do you mean, "What's the point?"

The point is, it's driving tremendous awareness and customers into the building! The fact that you don't know about it...

But I can't track it. How am I going to track it? How am I going to know that my investment is paying off?

I don't know man, how are you going to know when you buy that girl dinner that she's going to wind up sleeping with you? You know? Hopefully you don't. Oh yeah, so what you've got to do is we got to split test it. How?

Keith Krance: Stop. Stop advertising.

Ryan Deiss: You're going to just stop, yeah. And now, let's watch it tank. So, what do larger brands do, right? They take an investment in advertising, they take a budget, and they say, "We're going to deploy this to the best of our abilities, and we're going to hope that sales increase." And if sales increase, we're going to assume that we pretty much did a good job.

Molly Pittman: That's where even the term Brand Lift came from, right? Because they couldn't speak in terms of ROI or sales in a lot of cases.

Ryan Deiss: And look, if you have a really teeny, tiny, budget, then by all means, you probably spend it in some way that's immediately and directly accountable. And dang, hopefully you want to exhaust the pretty quickly. And hopefully, you just want to drive heft. And that's going to come through stuff that often times is not trackable. Now that you have this, right? I'd be really careful of turning off things because even if they didn't click on it, did they see it?

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