



INSIGHTS ABM

All You Need to Know About

# Performance Marketing

Chances are that you know at least a little bit about marketing. But whether you're just starting to dabble in advertising or you've been searching for ways to enhance your current efforts, you might have heard the term "performance-based marketing" thrown around.

Performance-based marketing may offer just what you need to connect to customers in a new and innovative way. But how can you get started with online performance marketing? Read on to learn more!

## Traditional Advertising

Imagine you're driving down a highway. You take a sip of your latte while you listen to your favorite podcast. As you come around a curve, you notice a billboard for a fast food restaurant announcing a new breakfast sandwich.



Traditionally, with a new product like this, the fast food company in question would:

- **Hire an advertising firm**
- **Discuss what the restaurant wanted to advertise**
- **Approve the work done by copywriters and graphic designers (after plenty of revisions)**
- **Provide the graphics to the agency that owned the billboards**
- **Determine the ideal locations for the billboard using demographic data**
- **Hope that someone like you would see that billboard and buy their new breakfast sandwich**

If all went well, sales of their new breakfast sandwich will increase, cover the cost of the advertising, and give everyone involved a healthy profit.

In other words, this type of advertising is a stab "in the dark." You can see the results, but there's still an element of mystery, as any effects of the advertising aren't felt for days, weeks, months, and even years after a campaign begins.

**Performance marketing is different.**





## Performance Marketing: Results Right Now

**With performance marketing, the effects can be seen immediately. Instead of paying to get logos and messages in front of the greatest number of eyes possible (all while hoping that those eyes are attached to people who will give them money for goods or services), advertisers pay by the action.**

Let's look at the billboard example again, but change it to fit the service performance marketing provides.

You're driving along, sipping your latte, just like before. You see a billboard for a new breakfast sandwich. Instead of continuing on your route, you pull over, get out, and punch a button on the sign's pole to register that you, a consumer, are interested in this sandwich.

A keyboard pops out and you type in your age, gender, income, and interests. The keyboard then retracts and then some ad agency sees money appear in its bank account.

Obviously, this type of sign will never exist, but this is basically [what performance-based marketing services do](#). They just do it with app downloads, ad clicks, and other measurable reactions from potential consumers.





All You Need to Know About **Performance Marketing**

---

A hand is shown placing a wooden block with a black upward-pointing arrow on top of a stack of two wooden blocks. The blocks have vertical slots cut into them. The background is a warm, brownish-orange color.

# The Upsides of **Digital Performance Marketing**

Tracking the actual impact of advertisements has always been a bit tricky. What caused that uptick in sales? Was it the radio promo, the TV ad, the magazine review, or something outside of your control?

Malcolm Gladwell's famous example of [Hush Puppies exploding in popularity](#) thanks to a handful of young, fashion-conscious New Yorkers shows that a brand's entire image can be transformed overnight with literally no input or effort on the part of the company.



**Unlike traditional forms of advertising, when you choose to use performance-based marketing strategies, a digital performance marketing agency will track exactly how many eyes have seen your brand and chosen to take an action. The best part? You won't be paying for the number of people who have seen your ad. You'll only be paying for the ones who choose to act on that ad.**

This also means you can expect that there will be more total exposure than the metrics show, once you account for people who didn't take an action. Pay for the action only, but benefit from the exposure, too...what's not to love?

**With performance-based marketing services, you get:**

- **Analytics:** Know exactly who is clicking on your ad
- **Targeting:** Guide future campaigns to people who are most likely to respond
- **Immediacy:** See ad performance in real-time
- **Payment Upon Results:** Only pay by the action, instead of paying upfront

That last one, payment upon results, might sound like it just moves the fear that a marketing campaign won't work from the company that makes the products to the ad agency. But in reality, it is a positive for all involved. Incentive leads to creativity.

Agencies can measure the success of a campaign in real-time with more tracking measurements than ever before, which allows them to continuously optimize their approach. If something isn't working, they're incentivized to make a change.

## What Does Performance Marketing Measure?

Both the company being advertised and the ad agency doing the advertising need to be intimately familiar with relevant key performance indicators (KPIs) according to SMART criteria.

SMART stands for:

- **S**pecific objectives
- **M**easurable progress
- **A**ttainable goals
- **R**elevant goals
- **T**ime frame for achieving goals

Some KPIs that you can measure with the right performance marketing tools are:

- **Lead generation**
- **Click-through rate**
- **Return on investment (ROI)**
- **Retention rate**
- **Installations**
- **Customer churn**
- **Return on ad spend (ROAS)**

The important thing to remember about all of these KPI metrics is that they are **measurable**. They don't take into account whether the owners of the company like the ads, think they're funny, or even if they dislike the ad campaign. It's all about what works to get consumers to take action.





## The Marks of Good Performance Marketers

Even though a company won't be plunking down large amounts of cash upfront, choosing the wrong performance marketer could still be a costly mistake.



Failed ad campaigns can do more than harm a product rollout — they can sink entire businesses. If you want some marketing horror stories, just look up lists of ad campaigns gone wrong.

To find performance-based marketing services that will give you the kind of success you're looking for, there are some traits you need to look for in a digital performance marketing agency.

### Confidence

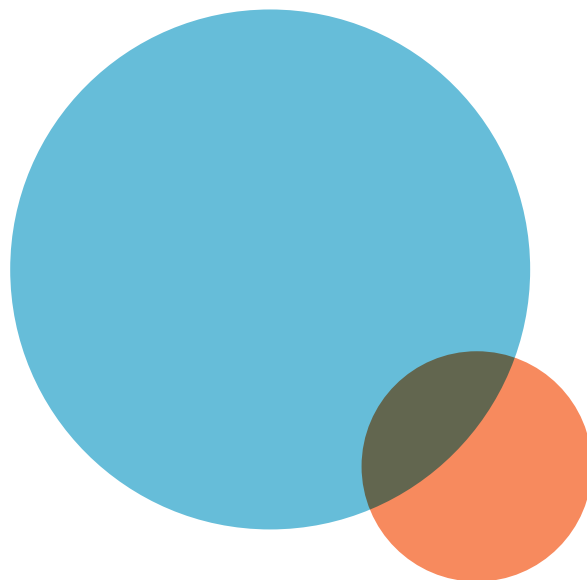
Not megalomania...not arrogance...just confidence. Quick decisions will have to be made, and someone will need to be the “buck stops here” person. Doubt and self deprecation are not what you're looking for.

You want marketers who:

- **Have a breadth of knowledge on which to act**
- **Handle large budgets and multiple accounts without getting overwhelmed**
- **Remove weak elements from the campaign (or organization)**
- **Move quickly to capitalize on trending data**

People who have confidence inspire confidence in others. They are honest with their clients, vendors, and employees.

In other words, if you can't trust your marketer, don't hire them.



## Education

Performance-based marketing services need to stay aware of the latest trends. They never stop learning. Whether they have degrees in relevant areas such as business or marketing or they've developed a reputation for results after years of being in the trenches of advertising, they need to know their stuff.

They should have the following kinds of expertise:

- **Social media (especially which channels are appropriate for your campaign)**
- **Search engine optimization (SEO)**
- **Competitor research**
- **Laws and regulations**
- **Technology (the tools of their trade)**
- **Various types of marketing, including email, influencer, or partner marketing**

They should also have certifications for relevant courses, software, and more. Any digital performance marketing agency worth its salt will be staffed with experts who specialize in different areas to maximize the reach of your campaign.

## Team Players

A basketball team might have a star who scores all the baskets and gets all of the attention, but without his team passing him the ball at key moments, the opposing side will always win.

The agency you hire needs to work together for you. Healthy competition can drive employees to work harder, but too much drive and their respective efforts will clash and end in failure.

If one part of an ad agency creates an app to improve their client's customer service, another part of the agency shouldn't be trying to draw away clicks to the social media page instead!

Look for teams with:

- **Solid communication**
- **Strong leadership**
- **Superior coordination with vendors, publishers, and platforms**
- **A structure that lends itself to cooperation**
- **Respect for other members of the team**

If emails go unanswered, staff members gossip, and you hear nothing but complaints, these are good signs that the agency is in trouble. If they can't manage themselves, they won't be able to manage your campaign.





## Analysis

To know whether a campaign is succeeding, a digital performance marketing agency not only needs to **collect the right information** — they also have to know what to do with it!

A strong digital performance marketing agency needs to have insight into what the data is telling them about the direction of the campaign, both in terms of where it is heading and where it's been. That way, they can give you a solid ROI.

All the metrics in the world won't help if an agency fails to draw a roadmap for action. Your marketing agency will need to:

- **Understand analytics from a variety of platforms**
- **Keep ad spend within the budget**
- **Know what to do if the analytics reveal that changes need to be made**
- **Have tactics at the ready or create new strategies along the way as needed**

Basically, every digital performance marketing agency needs to have a plan based on solid data. Once they have the data in hand, their strategies should be formed from historical trends and reasonable predictions of future behavior — ideally, some of which has been gleaned firsthand!



All You Need to Know About **Performance Marketing**

---

A photograph of three people sitting around a wooden table in a modern office setting. A man in the foreground is wearing glasses and a dark sweater, looking at a laptop. Another man behind him is also looking at the laptop. A third person is partially visible on the right. The scene is dimly lit with warm, orange-toned lighting. There are plants in the background and a laptop on the table.

# Different Kinds of **Performance-Based Marketing Strategies**



Once you have your team in place, the next step is to determine the type of campaign to use.

This is highly dependent on the type of business being advertised and the demographics that are being targeted.

All that data should be collected ahead of time. It will be used to guide where the campaign goes. Here are some of the most common options:

## Search Engine Marketing

Moving your business up as high as possible on search engine results pages (SERPS) will drive up internet traffic.

Say that someone is searching for “tree removal service” in their local area. If your tree removal service only shows up when that person reaches page three of the search results, you won’t get many site visitors.

While search engine optimization will help alleviate this problem somewhat, a digital performance marketing agency may use pay-per-click ads to boost the benefits.

Unlike SEO, SEM uses paid advertisements on search engines like Google. Advertisers bid on keywords. When a potential customer is looking for something, like “tree removal,” your tree removal service will show up with the search results in a more prominent location when you rely on SEM.

## Influencer Marketing

Aligning your brand with a popular online personality can give you an opportunity for measurable exposure.

Traditional endorsements rely on word-of-mouth or coupon codes, but providing a link that an influencer can post can offer you measurable click-through rates.

To do this, you can set up a cost-per-click (CPC) agreement that offers performance-based revenue.





## Email Marketing

**Email is still huge. In fact, in 2021, email marketing can generate \$42 for every \$1 spent when it's done well.**

No one wants to have an inbox full of ads from one advertiser, but strategic use of the tool offers incredible ROI. Making an email worth opening without pressuring your customers into a sale is essential.

## Native Advertising

One example of native advertising would be a YouTube video in someone's feed that looks like any other, but subtly promotes a brand or service.

Native advertising is seamless because it focuses on content. Consumers click on native advertising up to ten times more often than other forms of digital advertising specifically because they don't feel like they're being sold something.

Be aware, though, that there are laws in place to prevent native advertising from being deceitful. Whether it's done in the form of a video, an article, or a Google link, you need to disclose that the content is sponsored or promoted upfront. This will keep you compliant with the law and avoid angering potential customers who will feel they've been lied to.

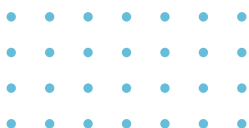


## Cost Per Action

So what are the different actions that [advertisers use to generate revenue](#) in a performance marketing scenario?

- **Cost Per Acquisition (CPA):** An advertiser pays for any specific action, whether it's an actual sale, a download of an app, or a form submission
- **Cost Per Click (CPC):** Payment for clicking on an ad
- **Cost Per Impression (CPM):** Payment per 1,000 ad views
- **Cost Per Lead (CPL):** Payment for customer information, perhaps through a form or newsletter
- **Cost Per Sale (CPS):** Payment for a sale resulting from the campaign

If it's not measurable, it's not going to generate revenue for the digital performance marketing agency. These are the methods by which an agency is paid, but they each also provide proof to the business that the campaign is or is not working.



## Performance-Based Marketing Services You Can Trust

When you're looking for expert marketers with a winning track record, the team at [Insights ABM](#) is the one you want. We drive traffic, we get results, and we're trusted by companies around the world.

In other words, we put the performance in performance marketing. Contact us today — we'll help boost your brand!



**INSIGHTS** ABM



214-910-0999



[insightsabm.com](https://insightsabm.com)

