

Snake Oil

Genuine Marketing in an Age of Cure-Alls

by **Dan Russell**



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THE SUMMARY IN BRIEF

Has the evolution of digital marketing placed businesses at the mercy of software companies? Or is there a path forward for businesses that want to regain their independence and create great marketing again?

Digital marketing has been around for over twenty years, yet businesses today are more baffled, bloodied, and battle-scarred than ever. Marketing scientist Dan Russell wrote *Snake Oil: Genuine Marketing in an Age of Cure-Alls* to provide an entertaining and enlightening joyride back down the hockey stick of digital marketing's growth over the past two decades. Russell takes readers through the deserts of the Western frontier, flying over a budding Silicon Valley and visiting Einstein's study in order to discover the secrets to becoming a marketing scientist.

With the knowledge contained in *Snake Oil*, entrepreneurs and business owners will be able to navigate the murky waters of digital marketing, squeeze more profit from their sales funnels, focus on projects that are verifiably important, and build a highly scalable marketing operating system inside their business.

IN THIS SUMMARY, YOU WILL LEARN:

- How to navigate the process of digital marketing.
- How to get more profit out of sales funnels.
- How to focus on projects that are verifiably important.
- How to build a highly scalable marketing operating system inside a business.
- The right steps to reinforce knowledge of marketing and conversion principles.

Introduction

If you're a business owner or marketing executive, this book will show you how to evaluate the marketers you hire and build a marketing operating system. If you're a marketer, this book will show you the hard-won insights from hundreds of my conversion rate optimization campaigns. It will give you the right steps to reinforce your knowledge base of marketing and conversion principles.

Part One – Clark Stanley, Fat Sacks, and Chinese Icy Hot

A Special Breed

Despite how bleak this sounds, there actually is a way to navigate this “wild west” of marketing. It starts with, first and foremost, getting clear on the types of characters you'll encounter on the road toward marketing success. Once you know them, you can avoid their traps and start investing your time and money in better ways.

Keep Your Hands and Feet Inside the Vehicle at all Times

In 2000, if you had a product that made money, you could spend as much as you could raise until the cost of advertising rises higher than your cost of goods. Companies like eBay and Amazon and thousands of others started pouring money into advertisements on AdWords. Google became insanely rich, the advertisers became insanely rich, and the customers were happy they found solutions to their problems. Enter stage left: The internet marketer.

The Age of Chaos

The creation of micro-niches is at an all-time high level of intensity and complexity. There's no way to standardize the education of cutting-edge micro-niches, which means there's no reliable way to verify someone's marketing skills.

The Carousel and the Big Idea

When you “do” marketing, you're setting out with the primary goal of finding some combination of words and imagery that add up to create an idea in your customers' minds. These aren't ordinary ideas. They're not something that comes to you naturally. That's what makes them unique. That's why I call them Big Ideas.

There Are No Shortcuts to a Big Idea

The thing that differentiates companies that can find their Big Ideas from those that can't is a willingness to sit in the painful, uncertain feeling of questioning the value of their products. Your Big Idea is the driving force behind your messaging. Without it, people aren't going to connect to your marketing. If your customers don't feel an emotional connection to your brand, they won't buy from you.

Part Two – The Age of the Marketing Scientist

The Marketing Operating System

A marketing operating system, in its most basic form, is simply a machine you install into your business. An engine. And like any good engine, it can speed up and slow down; it can tell you when something needs attention, and it can run without you thinking about it all the time. It's built of many complex parts that work together seamlessly to provide a simple and highly scalable outcome. In the case of a marketing operating system, that outcome is sales.

The following four chapters comprise the components of the marketing operating system:

Finding Your Customers - You need to know your customers better than they know themselves. More specifically, you need to understand the problems your customers are facing better than they can describe the problems to themselves.

Demographics - Ways of describing your audience with raw data such as age, gender, location, and income. Think about the data that a census collects— those are demographics. Another way to think of demographics is how your audience looks from the outside.

Psychographics - Ways of describing the behaviors and interests of your audience, such as buying habits, hobbies, and interests. Another way to think of psychographics is to consider how your audience looks from the inside.

Minimum Viable Audience - Generally speaking, the more specific your audience targeting is, the fewer people your audience will contain. If you are too specific, your campaign won't reach enough people, and if you are too wide in your targeting, your campaign won't convert your audience.

What's a Marketing Campaign (Really?)

A marketing campaign doesn't begin with the 'Create Campaign' button in your ads manager. It begins with the

process we just completed over the last few chapters—finding your customers—and continues with the creation of a well-planned marketing campaign. That campaign (and not the platforms) will dictate where and when your content will appear, as well as whether it will appear in a paid advertisement at all.

The Campaign Car Wash Part 1: Style

Having a content strategy means that every word you write and every video you create has a purpose. The campaign creation process is like going through a car wash. I call it the Campaign Car Wash. Each step is focused on building the right content that will drive your campaign.

Content Style – This step comprises the following three chapters of the book:

- Educational Content - Educational content is built to share information that your audience would not otherwise think of or be able to access themselves.
- Inspirational Content - Inspirational content is designed to lead your audience to change their beliefs around a given topic.
- Entertaining Content - The major differentiator of Entertaining content is that it is designed to keep your audience's attention using comedy or drama.

Content Medium – This step is explained in The Campaign Car Wash Part 2: Medium

Content Exposure – This step is explained in The Campaign Car Wash Part 3: Exposure

By the time you've finished the process, you'll have turned an abstract Big Idea into a squeaky-clean, hyper-specific content strategy that feeds your overall business goals.

The Campaign Car Wash Part 2: Medium

Your Big Idea and content style make up your campaign's soul, and your medium makes up your campaign's body. It determines how your campaign looks, sounds, tastes, feels, and smells. A marketer has four primary mediums that can be used to give birth to a campaign, which make up the following four chapters of the book:

Written Content - Written content is simple, easily accessible, and cheap to produce. But, despite its simplicity, it remains a powerful medium.

Auditory Content - While the written word is the more

efficient form of communication, the spoken word is our longest held. It is also our most celebrated.

Multimedia Content - While the spoken word can evoke emotion over the course of a conversation, episode, track, or sound clip, pictures and videos can evoke an even more intense emotional response in a matter of seconds. Seeing something with your own eyes can cut through the inefficiencies of letting your audience's imagination do all the work and, as a result, it can end up being a more immersive experience.

Experiential Content - This style of marketing is different from the others because it focuses on creating a brand experience that goes beyond the auditory and visual realms and spreads across three or more senses.

The Campaign Car Wash Part 3: The Exposure

Exposure, the final step of the Campaign Car Wash, is the process of getting your audience's attention. This means we must figure out where your audience is—where they are spending their time. The next few chapters contain the steps that most people start with.

Owned Channels

Owned Channels are communication methods that you control, such as email. Owned channels give you direct lines of communication with your audience and allow you to build long-term relationships without relying on anyone else to get the word out for you. They also have the highest longevity out of the three types of channels.

Paid Channels

Paid Channels are methods of reaching your audience through advertisements and other paid placements like sponsorships. The single greatest advantage of using paid channels is scalability. You can increase and decrease your ad budget very quickly, which means when a channel is working well, you can put more money into it immediately and see immediate results.

Earned Channels

Earned channels include any form of exposure that has been given to you as a result of PR (public relations) efforts, partnerships, or joint ventures. These are all unpaid, although in some cases like a Joint Venture Speaking Gig, profit-sharing agreements can be put in place on the "back-end" of the channel.

The Campaign Briefing

Think about what Call To Action (CTA) you'd like to use in your campaign. If you already have a sales funnel in place, your CTA should direct people to the first funnel step, whether through a click, a text message, a phone call, or something else.

Conversions: Let's Start at the Very Beginning

This is where the third and final piece of your marketing operating system comes in—Conversions. Your marketing campaign will get peoples' attention long enough to point them in a direction (via your CTA), whether it is to visit a booth at the back of the room, click a link, or watch a video. Everything from that point forward falls under the authority of your sales funnel. Your sales funnel picks up where your campaign leaves off by converting your audience's attention into sales.

The Anatomy of a Funnel

If a conversion rate represents the act of someone moving from one step in your customer journey to the next, a sales funnel represents your customer journey. A funnel is an easy metaphor that describes how one step in the customer journey follows another one with a conversion rate at each step. Since conversion rates are less than 100%, fewer and fewer people make their way to later stages in the funnel, with the smallest group of people ending at the bottom of the funnel to ultimately become customers.

The Flaw in Sales Funnels

Over the years, I have created an easy way around this problem called the Funnel Grid. This is a simple, back-of-the-napkin method for making funnel calculations. The ability to make funnel calculations will help you speak intelligently with smart marketers and spot unskilled marketers a mile away.

The Marketer's Scientific Method

Conversion Rate Optimization (CRO) is the process of finding and fixing bottlenecks in your funnel. As you spot funnel steps that have lower conversion rates than you would like, you can use CRO techniques to raise them. CRO techniques are entirely based on running split tests, which are experiments designed to "try out" new forms of your copywriting, design, and customer experience on specific steps of your funnel. These split tests (also known as A/B tests) are carried out using the tried-and-true research process known as the scientific method:

Step One: Ask the Right Question - The key to asking the right question is to think ahead to the target data point, or Key Performance Indicator (KPI) that you want the question to affect, and then to decide what you are going to change in order to test your theory—that is known as your variable.

Step Two: Do Your Research - Once you have identified your question, you will have to conduct research to inform the structure of your experiment. The depth of this research depends on the source of your question.

Step Three: Form Your Hypothesis - Forming a hypothesis is simply a matter of choosing a side. The hypothesis causes us to view the experiment in the correct context. It helps us pay attention to the right things and draw a line in the sand in terms of our expectations of what will happen.

Step Four: Conduct Your Experiment - As you begin the creation of your experiment, you will use your split testing tool to duplicate your control and make changes to the variable to create your variant(s). Once you do that, you may also be asked to set up your goal.

Step Five: Analyze Your Data - Your experiment is complete when you have collected enough data to draw a proper conclusion. As soon as your split test reaches a 95% level of statistical significance, you can move on to the final step of the scientific method: drawing your conclusions.

Step Six: And the Winner Is... - If they passed the analysis stage, your split test results will be as clear as day. You will have one variant, or your control, that outperformed by a large enough margin to be predictable.

The NeuroTactic Library

Depending on the NeuroTactic's marketing application, it will be categorized into one of five buckets, which comprise the following five chapters:

Desire - This category of NeuroTactics is designed to activate the "buy button" in our brains known as the ventro-medial prefrontal cortex (vmPFC). These NeuroTactics have been extensively tested in fields from psychology to behavioral economics.

Routing - This is the process of creating an experience that feels personalized or otherwise "fitting" to the individual.

Emotion - Emotional engagement is at the core of great marketing campaigns and customer journeys. I encourage you to use these NeuroTactics for inspiration in planning not only your split tests, but also your customer support

experiences, your product development efforts, and your marketing campaigns.

Attention - Capturing your audience's attention is the job of your marketing campaign, but maintaining that attention is the job of the sales funnel. Attention NeuroTactics are designed to help you cut through the noise of news feeds and other channels so you can keep your audience focused on you.

Memory - We buy from brands we recognize, we laugh more easily at comedians we love, and we are more trusting of people we know. Memories form our opinions and worldview, and without them, we wouldn't be able to make the decisions that we do. That is why Memory is one of the most important categories of NeuroTactics.

Conclusion

The concepts shared in this book are based on a ruthless dedication to marketing science. With that comes a respect for data and numbers. Your company's culture of objectivity will define how successful your marketing operating system is. As with any implementation of a new system inside a business, you need buy-in from all levels of the organization. Be patient if you feel resistance. Be aggressive if you know it's an urgent matter. But most of all, don't give up on using this system, even if it is just for yourself at first.



Dan Russell is the award-winning founder of marketing think tank Vivid Labs and is the author of *Snake Oil*, a modern-day handbook for business leaders trying to navigate the chaos of modern marketing. Over the past nine years, he's unlocked over \$50 million in revenue for his clients by leveraging the science of marketing and why we buy. These days, he teaches those principles to entrepreneurs and executives through his private newsletter, the Goldpan Report, and his involvement in tech incubator Project 10K.

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