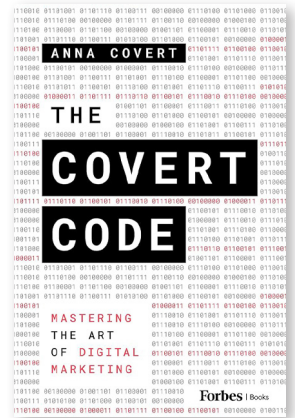


Executive Book Summaries®

The Covert Code

Mastering the Art of Digital Marketing

by **Anna Covert**



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THE SUMMARY IN BRIEF

Effective business marketing is dependent on reaching the right people at the right time with the right message. All three of these goals can be accomplished whenever high-impact promotional and outreach strategies are utilized.

In her book *The Covert Code: Mastering the Art of Digital Marketing* author Anna Covert discusses the difficulties of navigating the rapidly changing digital landscape and the best ways to overcome common challenges.

The founder of Hawaii's largest digital marketing firm, Anna Covert has worked with hundreds of businesses across the spectrum and she's conceptualized the strategies to create opportunities and connect brands with customers.

IN THIS EXECUTIVE BOOK SUMMARY:

- Make the right technology choices for better outreach
- Understand the mechanisms that increase the effectiveness of digital marketing
- The secrets of search engine marketing
- Learn how to harness the immense potential of social media

Introduction

To win a game, you need to know two things: the rules and how to read a crowd. From pool to poker, mahjong to marbles, the rules of the game don't change, but your environment does. The winners can sense changes and adjust their strategy in real time, allowing them to gain a significant advantage over their competitors.

The same is true when you buy and sell online media. Unlike traditional marketing, the ad exchange is happening in real time as a live auction. It's like the stock exchange, but it never sleeps. Consumers are on their devices, engaging with ads and content, 24/7. So many things affect your bidding and buying strategy online—seasonality, competitiveness, sociocultural issues, and even weather impact a company's results and overall marketing spend.

Business owners can master the art of online marketing and take back control by learning the fundamentals of how media is bought, sold, and consumed online. This book will uncover the “game” and arm you with Covert Code strategies that will prepare you to fight the battle today and win the war for years to come. From picking the right partner to knowing when it's time to push the brakes and regroup on your digital strategy, you can and will be able to target the right people, with the right message, at the right time, achieving your desired ROI without the aid of a big agency or high media spend.

Chapter 1: The Rules for Digital Media

When I first got my toes wet in an online search over a decade ago, there weren't many options. Google basically had a monopoly and dominated the “ad exchange,” and still does to a large extent. But what, pray tell, is the ad exchange?

An ad exchange is an online marketplace where advertisers buy digital ad inventory from publishers, often through real-time bidding (RTB) auctions. An ad space could be inventory on a website or mobile app, or seconds of air time during a podcast or video stream.

Typically, any website that has over 10,000 unique daily visitors can qualify to participate as a seller and be collectively referred to as a publisher. That means that they can open inventory up on their website pages (domain URL, app, video streaming service, social media platform) and then get paid by offering those spaces to advertisers to fill gaps in the content (banner ads, text ads, content ads, and video ads).

Each media publisher has its own pricing model, but they boil down to three types of billing options: cost-per-thousand (CPM) impressions, cost-per-click (CPC), or cost-per-result (CPR), which can be further broken down by completed watch, listen, etc. Depending on where the ad runs and the type of content, the model and pricing vary. The most common pricing model is CPM, but this comes with more risks than rewards for business owners.

By far my favorite way to advertise online is CPC because it is the easiest to control and indicates that the target audience was interested and took action. The goal of online advertising is to drive valuable website traffic to your site, and a click is step one.

In the case of cost per action, a company agrees to an amount that they will pay the media publisher for every transaction generated by a paid ad campaign.

Now, we need to put some emphasis on the customer journey.

Depending on the industry, we have different expectations of the speed that this full process will take. Typically, the larger the investment, the longer the time it takes to move the customer through the funnel.

In some industries, like retail, it's easy to identify that a customer's journey happened because there is a solid transaction at the end. They clicked on an ad, they went to the site, they added a product to the shopping cart, and then they paid. For industries like home services, the conversion is just a lead because the sales process is longer and requires human interaction. This is very important, because when setting your online budget and planning your marketing activities calendar, we need to be able to identify all of the leads that marketing generated.

When it comes to planning your company's marketing budget, there are three common ways. The first is a “percentage off the top” model, during which companies allocate a percentage of gross revenue generated over a fiscal period, that is, 3–10 percent of total earnings in 2023 will become our 2024 marketing budget. The second is the “all you can afford method,” and the third and my recommended strategy is called “objective task budgeting,” which means that we build a budget to support clearly identified sales goals (KPIs) and then spend what we must to generate the website traffic needed, to support each initiative: customer growth, new sales, enrollments, locations, subscribers, team members, etc.

Bottom line, just because you have a website doesn't mean

Your website is vital; it's where customers will meet your brand. You need to pay attention to voice, imagery, and experience.

that it will support your business goals for growth. It's important to be prepared to start over, even if you recently built or rebuilt your site. Your website is vital; it's where customers will meet your brand. You need to pay attention to voice, imagery, and experience.

Chapter 2: From Aware to Action: Your Customer and Your Website

What is key for any business owner to understand is that you must guide and control the customer's experience as they engage with your brand online. Using drop-down menus is never a good decision because that places too much burden on the customer to pick their own path and then forces them to scroll up, and down, and up, and down. Feeling nauseous yet? This uncontrolled user experience results in the customer abandoning the visit (exiting) and moving on to the next solution to find what they're looking for, which might be your competition. Think about your own experiences online. The sites that you've bought from or continue to visit have created a journey that is easy and enjoyable. You can find what you are looking for fast (people skim first and then read) and they provide ways for you to engage and dive deeper when applicable.

Engagement for the modern consumer means toggles, tabs, recommendations, infographics, video content, chat, or applications like calculators, quizzes, or games. Consumers want choices but are still driven by the need to be led.

Our job is to help the customer find what they are looking for, and then, hopefully, not regret their decision later. I always thought it was laughable that agencies and media partners care so much about the client's product and will quickly blame them for customer burn but never hold themselves to the same standards. They overpromise and underdeliver on their goods, and the result is the same: unhappy clients that leave. Part of this stems from a lack of communication and setting the right expectations on what their product will yield. Even companies providing great products and services can find themselves on the chopping block for not educating the client or asking the

right questions. You might be doing exactly what is in your SOW (scope of work) or product description, but if the client does not speak the same lingo, or misinterprets your solutions, you're toast.

Chapter 3: Making the Right Technology Choices

For business owners, everything comes down to choice. From building your team to picking your technology stack, what separates those who thrive from those who fail is understanding how to navigate all those daily choices to achieve your short-term and long-term business goals.

While consumer buying behavior changes relatively slowly, technology is rapidly accelerating. The website framework or customer relationship management (CRM) system your team used in the past with success might now be impacting your company's ability to stay competitive and thrive.

Did you know that today most enterprise organizations subscribe to nearly a hundred types of software? Many of these programs are not used at all, or are only being used by a segment of the team to their full potential. The result? Thousands of dollars lost in recurring fees.

Reviewing your organization's tech stack and removing redundancies is one of the easiest ways to increase revenue while speeding up production.

At Covert, we call this a company's technology transformation. It all starts with a list of demands. What do we want our customers' experience to be and how will we fulfill that using the technology at our disposal? This experience must be transcendent because, although painful for many companies, it is the only way to operate in an evolving digital landscape.

Chapter 4: How Much Is a New Customer Worth?

The problem with worth is that it can change on a dime. Just like currency, the value is perceived and fluctuates

based on factors like GDP or inflation. Changes to your customer's value can be the result of your business model shifting, or directly tied to how you quantify the "lifetime" value of a customer. Depending on your industry, expectations must be set before starting any marketing campaign, otherwise overspending will occur.

I like to identify a customer's worth in two parts: 1. Initial contract value or average cart price. 2. Lifetime value of that customer, which consists of recurring revenue potential services, like software, subscriptions, professional services, upsell opportunities, and referrals.

Determining your customer's worth directly relates to your objective task budget and creates benchmarks to evaluate your marketing mix. To determine the value, the first step is to ask yourself a few questions and separate them by each product or service offering (such as homeowners, business owners, single customers, wholesale customers).

- How much money does my company make when we sign a new customer—before and after the costs of running the business (gross revenue versus net revenue)?
- Will that customer be recurring and by what frequency—daily, monthly, quarterly?
- Is that customer going to refer me, and what are the number of times they will—1×, 3×, 5×?
- Next, you look at your current statistics and outline your desired growth goals.
- Of all the leads we acquire, what percentage will turn into customers by service offering?
- How much do we want to make this year from each service?

Chapter 5: How Your Digital Ads Actually Work

Like its name suggests, the web is a mystery of connections from point to point. How devices connect and display data can be confusing, sometimes intentionally so. But I want to help demystify this process. Let's start at the beginning. How do we cookie or identify a device, and what options are there to serve ads to that user?

There are several ways to locate and serve ads to a device, including Wi-Fi (50-yard range), Bluetooth (a few yards), and Radio Frequency (RF) or Airdrop, otherwise referred to as Beacon technology (30-yard range).

To distribute content online a CDN (content distribution network) is used. It essentially is a network of servers located in geographic regions that pay internet providers to display content to the online user. In digital advertising there are two parts, a seller who we collectively refer to as publishers or an ad buyer referred to as advertisers. Advertisers can include product manufacturers, service providers, third-party ad agencies, intermediary ad networks, etc. The easiest way to break this up is into sell-side inventory and buy-side demand.

Each publisher must create or hire a CDN and then, on behalf of website publishers, distribute ads to consumers. How this actually happens is unknown to the public and largely controlled by Google.

What we believe is happening is that, depending on time of year, audience targeting, bid strategy, and content type, our ads will be shown to people physically located in the target area we have identified and "won" based on a bid from the live auction. But how can we prove that a purchased impression from a CDN did in fact run on the desired website publishers' site, app, etc.? The answer is you can't because they don't want you to know. When uploading ads to a publisher like AdRoll, Google, or Microsoft, they are asking you to essentially host the creative from their platform and then serve those ads to customers over some "behind the curtain" CDN.

Now, let's jump right into our next chapter, where we will identify how to ensure that your ads reach the right people, at the right time, to yield the desired results.

Chapter 6: Right People, Right Time, Right Response

The customer must see and experience our brand multiple times before moving from Awareness to Action (buying something or arriving at the website). So, our job as marketers is to figure out how many times a day we can insert ourselves into our target audience's radar to build audience share of mind.

Here's an example: Bob lives in San Francisco and works downtown. He uses a cell phone alarm, and once it goes off, he likes to lay in bed for ten minutes to fully wake up, scrolling through posts on Facebook and the CNN news feed. Then he gets up and turns on the morning news while he makes coffee and eats yogurt. It's time to go to work, and he puts on his earbuds, queues up Spotify, and walks a few blocks to catch the trolley to work. While on the trolley, he gazes out the window. Finally, when he's close to the office, he opens his Gmail and starts to read work-related messages.

There are two key ways to target your desired audience. Those boil down to first-party and third-party data sources.

How many media types does our brand have to reach Bob on his journey to work? As we can see, even before Bob gets to his desk, there were a plethora of opportunities for us to insert ourselves and gain impression share:

- Facebook ads, display, native, or video ads on CNN News (in bed)
- TV sponsorship/ads (during breakfast)
- Programmatic radio/streaming (on the way to the trolley)
- Programmatic out-of-home or traditional billboards/outdoor media/trolley ads (on the ride)
- Email marketing (Gmail)

This extra layer of the customer journey is key when building your media plan and website click paths because, before you start any paid advertising, you will need to determine how you will track results from each initiative and how to create the right content and landing page to support it.

There are two key ways to target your desired audience. Those boil down to first-party and third-party data sources. First-party data is primarily your data. The most common ways to obtain this data include placing a pixel on your website and tracking user traffic, or by using your CRM data, which creates a seed population of users (assuming we can match them).

Make sure to ask how your partner acquires data and that when using third-party sources how they created those seed lists. This includes the age of the data, that is, thirty-day refreshed list of Individuals who are New Homeowners based on surveys, social media data, sweepstakes, online activity, public records, and purchase data.

Chapter 7: Search Marketing Decoded

Moving right down the funnel, the next topic covers “intent,” which breaks into two parts: search optimization (SEO, which is organic search traffic, i.e., earned) and

SEM, which is paid and split among Google Ads (approximately 80 percent of search) and Microsoft Ads (20 percent of search, including Bing, Yahoo, and AOL).

To this day, SEO is one of the most common things clients ask about. Is it worth spending money on? This topic is sure to upset a lot of people, but believe me when I tell you that committing to paid SEO services is one of the easiest ways to be taken advantage of as a business owner. In my opinion, it is the darkest of the dark digital art and I have seen too many business owners make the mistake of committing to paid SEO services by picking providers that don't provide the correct reporting or long-tail strategies that lift and hold rank. SEO breaks into two sections, on-site and off-site, and like all digital tools, has changed dramatically over the past few decades.

Additionally, paid search engine marketing through Google Ads could also be taking place as a part of a comprehensive outreach campaign.

My recommendation is to always start with a focus of generating qualified website traffic, and after we establish a baseline can adjust to focus on “sales” to see if we can lift impression share and overall results (optimization strategy). In your campaign settings, there are several primary factors that will make or break your online success: Networks, Locations, Budgets, Bidding, and Keywords. For those with existing campaigns, to change settings go to each campaign (not ad group) and edit active campaigns.

One of the biggest mistakes a company can make is setting a small daily campaign budget out of fear of overspending—\$5 per day, \$25 per day, etc. The problem with that is that you are guaranteeing that Google will spend all your funds quickly, and then your ad will not show for the rest of the day.

The goal is to make sure that your ad has the greatest potential to show to people physically located in the area you care about, who are searching online for the exact services you offer. The metric that tells us this is called “search impression share” and our mission is for this percentage to be as high as possible because you only pay when someone clicks, not views, your ad. Think about your paid search

goals in two pieces: brand awareness and increase valuable traffic. We want our ad to show as many times as possible in Google to reinforce our brand (views are free) and then generate high-quality visits (paid) while still protecting our budget by only allowing for one click per human (Click-Cease) over a set period of time.

Be careful when planning budgets in Google because they are based on thirty days from the start of your campaign, not monthly. This can impact your marketing reporting and also get you into trouble if you stop the campaign early, as they may have already spent more than they should (front-loaded) and you potentially could be missing out on impression share, that is, they have to continue to show your ad even if they overspend your budget. Always note your campaign date start and plan spend over the next thirty days for reporting.

Chapter 8: Gentle Nudge (Remarketing Explained)

We know that, in order to move our customer through the purchase funnel, we must show them enough messages (frequency) over a short period of time (reach). Remarketing or, as I lovingly refer to it, “cyber-stalking” offers advertisers the ability to target customers post-site-visit by following them wherever they go next on their online browsing session. The magic starts by placing a pixel (cookie) on your domain. Then, as website visitors arrive, we tag them and add them into an audience pool. Once they leave, we follow them through the display, social, or programmatic networks showing them ads as they browse/listen/watch, ensuring that they continue to be reminded about our brand and reach critical messaging impression share.

Chapter 9: Social Media

Social media is a topic that deserves a book all on its own. Over the past decade, it has been considered one of the most important tools to engage with consumers. But it can quickly become a money pit if companies don't set the correct expectations by platform, and fail to understand how to measure results.

When evaluating social media channels and creating a content and engagement strategy, it's critical to understand that they are just like other domains/apps and are considered content publishers with an active audience. Just like with search engines, social media strategies should be broken into two buckets: organic and paid. What companies must

know is that engaging in any form of social strategy is a serious time commitment. Just because everyone else is doing it doesn't mean that it's going to return a measurable ROI.

If your company is going to participate in social media activities, the first step is to weigh the opportunity costs. Effective social media means that your company will be posting meaningful and relevant content two to three times per week across key platforms like Facebook, Instagram, Google My Business, LinkedIn, Nextdoor, Pinterest, TikTok, Threads, X, etc.

When to Use Social Media:

- Create an engaged audience
- Increase share of mind
- Increase customer loyalty
- Increase referrals and social vitality
- Drive website traffic
- Drive measurable sales (for retailers)
- Increase off-site SEO link building
- Influence behavior
- When Not to Use Social Media
- Generate relevant content
- Engage with users in a timely or respectful manner
- Control how people will consume or engage with your content

Conclusion

Stop, Drop, and Roll. That was a saying that was burned into our heads as children (pun intended), but it worked and saved countless lives. It wasn't silly. It was witty and something that humans needed to break through the panic and to silence the noise with a solution. Rather than screaming for help and flapping our arms around, we were armed and empowered.

Right now, that is exactly what companies need to navigate the rapidly evolving world of digital advertising. The reality is that, in pixels, there is no discrimination based on race, gender, or age. Everyone is at risk, and most are being straight-up bamboozled. Why? Because it's just so easy to be a con man online. Someone can show you data and tell you what it means, and you will believe it. Some of what is said may be the truth, or it might all be fabricated, but how can you tell the difference? Many times, they're lies that are

being told that then become “truths” that are recited and resold. The cost can be measured in billions of dollars lost to digital fraud, bankruptcy, and corporate theft.

Now that you are armed with *The Covert Code*, you have the power to stay in control. This means that you will never “set and forget” bid strategies or trust others to make these critical decisions on your behalf. To be successful today, business owners must continue to evaluate their digital strategy and utilize the tools available to them to identify and curate customer relationships across online platforms. The bottom line is that you must always be on the lookout for fraud, including partnerships and reporting. When the numbers don’t add up, you should be ready to pivot quickly. Don’t be afraid to push the pause button and reassess your options.



Anna Covert is the founder of Covert Communication, the largest digital marketing firm in Hawaii. Over the past twenty years, she has become recognized in the industry as an authority in digital advertising and is known for her unwavering business ethics. Her team has developed API technology solutions for both SunPower and Panasonic and is featured as a preferred marketing partner for their extensive dealer networks. Anna’s mission is to uplift the industry and protect consumers from the escalating online marketing and media fraud that plagues online platforms.

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