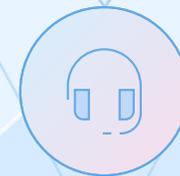




How Segment Uses Segment to Build the Modern Marketing Stack

Tools, Tips, and Tricks to Modernize
Your Marketing Infrastructure



OVERVIEW

The Modern Marketing Stack

How do you drive growth and revenue without letting your customer satisfaction suffer? Here at Segment, we monitor different metrics to ensure the health of our business along these dimensions, and in order to calculate those metrics we gather data from a variety of different tools. As you can imagine, we're big users of our own product, which lets us combine data that would otherwise be isolated in our tools.

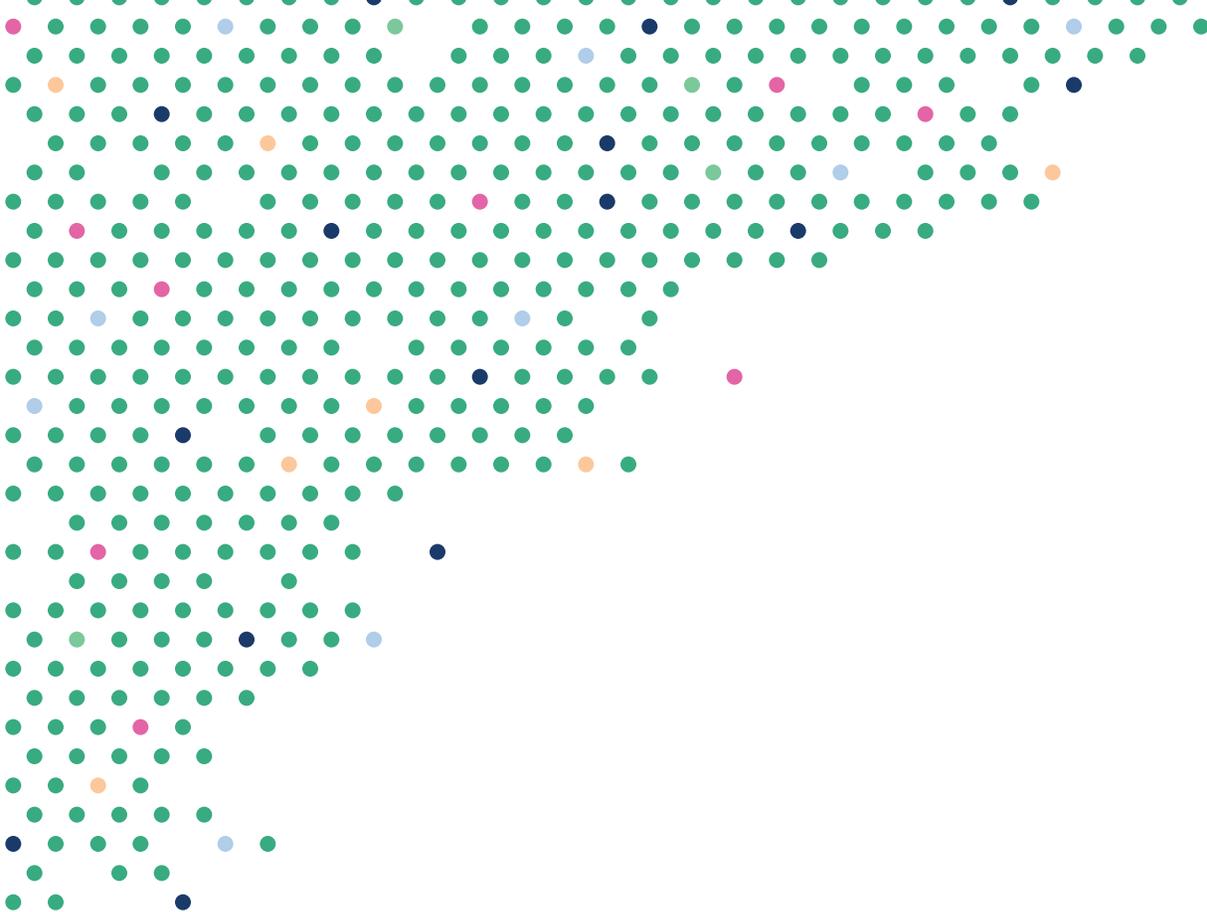
A modern marketing stack aggregates data across tools to get a full view of the customer. You want to know what products a customer has bought, which features they use, their experience with support, how satisfied they are, which emails they've opened, what landing pages they've clicked through, which white papers they've read, and so much more. There is often no shortage of data to analyze. The problem is that most of that data is isolated in the places it occurs—in your email provider, your support tool, your survey service, and so on.

Segment is the leading customer data platform, and it makes sure all of your data is visible across your marketing stack. In this report, we'll discuss how Segment uses Segment to give us a full view of our customers, build engaging marketing campaigns, guarantee high levels of customer satisfaction, and deliver the best product we can.

“Always buy—never build—because it's way faster.”



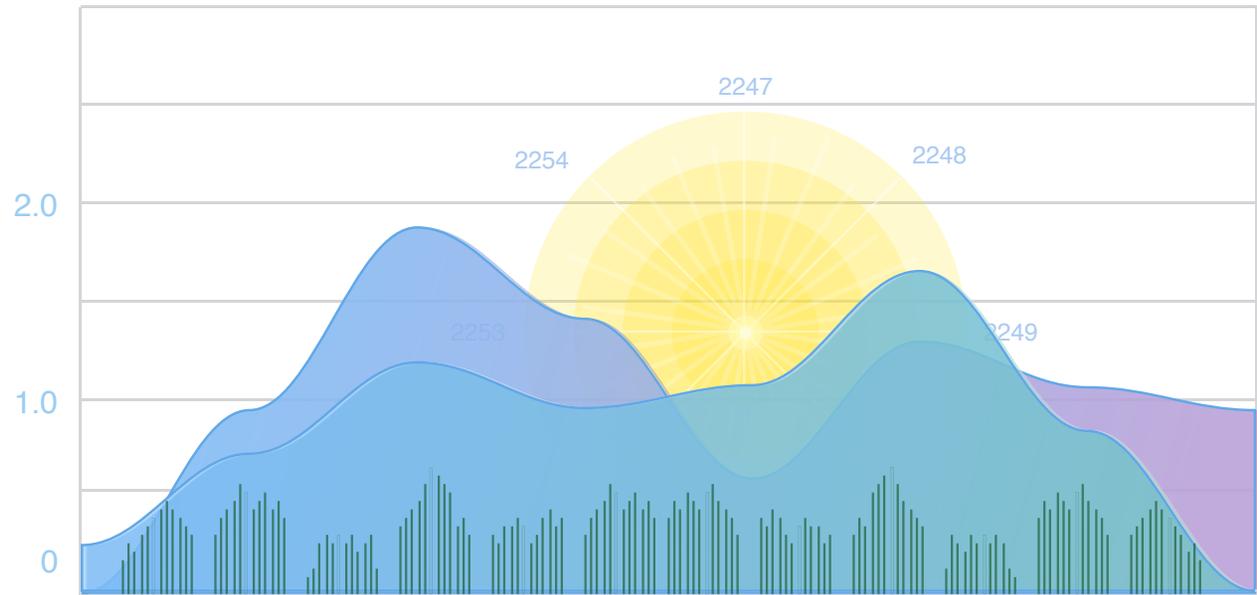
Guillaume Cabane,
VP of Growth, Segment



Principles

We've established several core principles that underpin every customer-facing project at Segment and help us experiment with minimum cross-organizational dependencies.

With all of our data at our disposal and the rapid innovation in marketing tools, it's easy to get lost in productivity as different teams and individuals tackle problems with their favorite tools. These principles ensure that each team at Segment can move swiftly without creating data silos that adversely impact productivity.

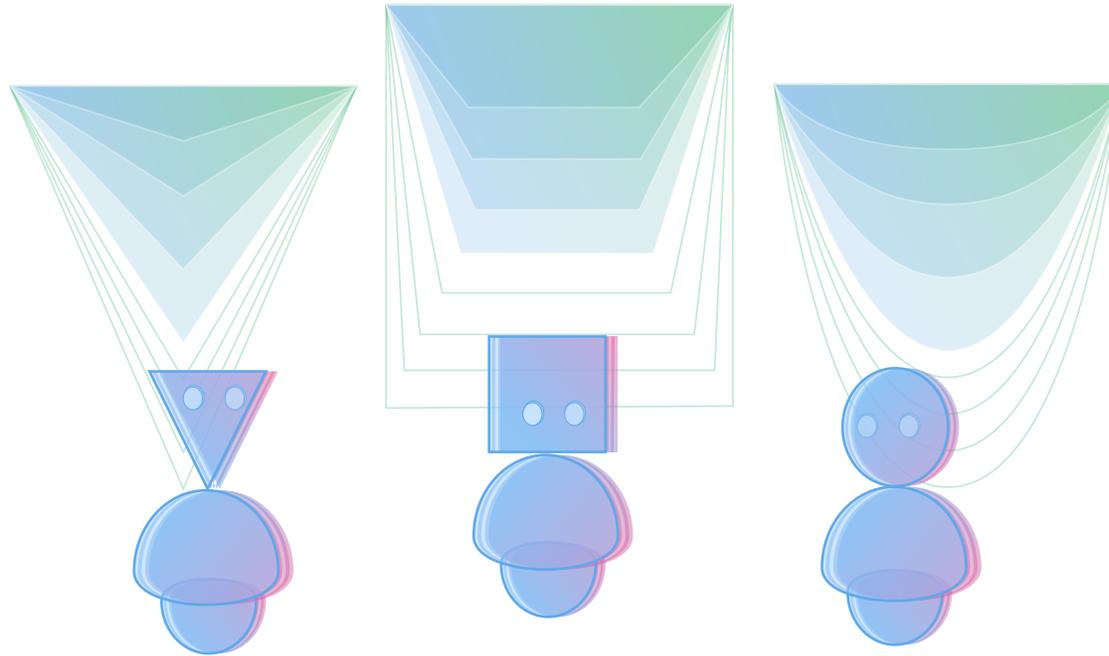


PRINCIPLE #1

Data is everything.

Data is important and is the forefront of everything that we do. (C'mon, we're a data company.)

We use data to make decisions, so no feature or project is launched without clear metrics-driven goals. Additionally, a tracking plan (a list of events to be implemented) is an integral part of the development sprint process. We like to be meticulous and err on the side of spending more time thinking through the goals and assumptions when creating our tracking plan. This allows us to track more granularly and have more confidence in the decisions that are made with the results. Lastly, richer customer data gives us the ability to create narrower segments amongst our users and prospects, so as to craft more targeted messages.

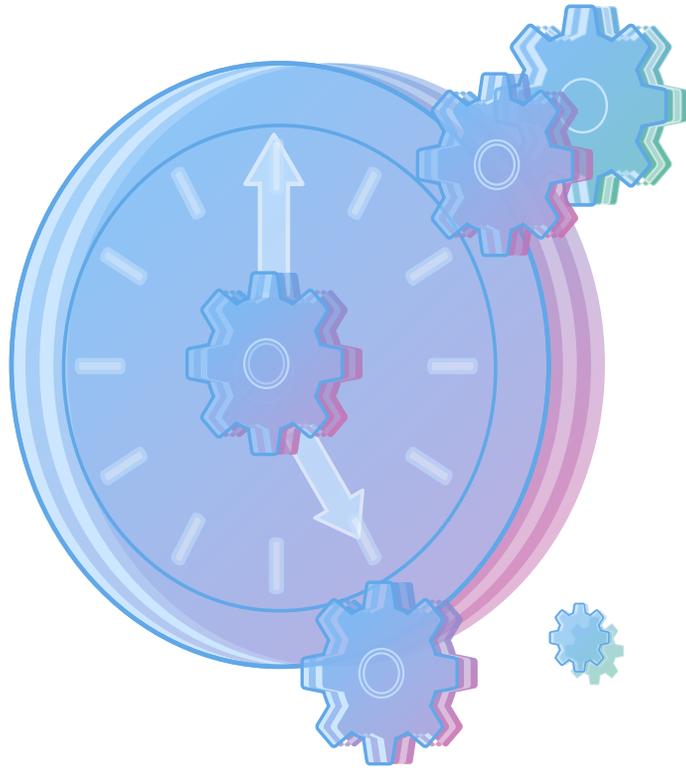


PRINCIPLE #2

There is no perfect message.

Instead, tailor your message for your audience.

Writing messaging that targets the most average person in your audience is a surefire way to alienate and lose the trust of your entire audience. The fact that an average of everyone exists does not mean that the most average message will be the one that resonates. Given the data that we can collect directly from our customers' actions on our sites or apps, second-party data from their interactions with our brand via cloud applications, and publicly available data, there is no reason why we can't create far narrower audience segments that reflect their motivations and needs at a given moment, and then write messaging targeted at those. These messages perform and resonate far more effectively. Whenever given the option, we will always choose to message a narrower audience.



PRINCIPLE #3

Automate early.

We believe automating our efforts early gives us many benefits.

We believe automating our efforts early gives us many benefits. It enables us to scale quickly. For example, linking tools with Zapier connections lets us go big early without having to worry about manually moving data into a tool where it can be used immediately. Additionally, a lot of our automation for growth is around onboarding or generating leads for our sales team, which frankly needs to be automated. Getting a welcome email two weeks after the fact is strange and will result in a significantly lower conversion rate.

PRINCIPLE #4

Create authentic rapport.

It all comes down to people. And good marketing campaigns are about people.

They're about the target audience: their fears, motivations, needs, wants. When recreating or automating campaigns, we need to create that rapport and trust. We're creating a system that mimics human people as closely as possible. What would a sales rep do if they had unlimited time and data? How would they handle our leads? The automation must feel authentic to the end user so as to create the rapport before they engage.



Our Toolkit

Personalization and automation requires collecting, routing, and using data. There are plenty of tools to help, but here is a short list of our favorite ones.

Segment

[Segment](#) is a critical piece of our analytics infrastructure for several reasons, most notably collecting customer event data and sending it to over 200 different integrations and data warehousing services. This is the central nervous system that ensures consistent customer data routed to the right places where we can use them.

zapier

The enterprise brother of IFTTT, [Zapier](#) is the duct tape of automation. Though it routes data across different integrations, it serves an entirely different function than that of Segment. The kinds of services that Zapier connects with allows us to create automation such as updating a Google Sheet with qualified leads, or automatically sending a `.track()` call when leads schedule a sales demo on our reps' Google Calendars.

Clearbit

[Clearbit](#) is a key enrichment tool. It ingests data from our leads, looks up firmographic information like company size and role based on the email address, and then sends that to Segment. The Clearbit data is instrumental in helping our marketing automation and sales team focus on the most valuable leads (as determined by the data profile).

Optimizely

[Optimizely](#) is one of the best A/B and personalization tools out there. Using Optimizely is a fast way to test variations on a web page and understand their impacts on goals that you can set. When we have a small idea, we test it with Optimizely in less than a few minutes, instead of having to draft a brief. Lastly, given sufficient jQuery knowledge, there are minimal engineering dependencies in using Optimizely.



[Customer.io](#) is a great email tool that provides flexibility around the types of customization and personalization we need for marketing automation. It's simple enough for a wide variety of use cases, yet also robust enough to handle the needs of endless experimentation.



[Madkudu](#) is a predictive lead scoring solution built just for high volume B2B/enterprise SaaS businesses to accelerate growth with customer data. This service, much like others on this list, is highly decoupled, in that it can be connected easily to other tools, making it highly flexible in that we can fit it into whatever novel and experimental workflow we might want to try.



Because there are some things that just aren't worth your team's time. [Mechanical Turk](#) provides a low effort way to handle more tedious tasks, such as tagging items or getting a list of customers on a prospect's customers page (which aids in getting a discussion started).



When there's nothing on TV, there is [FullStory](#). This session recording service provides you with qualitative information about your user interface experiments. You can watch your users lose interest and exit before scrolling to the bottom, or get confused by the three competing CTAs in the middle of the page.



[Mailparser](#) is a fantastic service that automates the parsing of inbound email. This means whenever we get a response, we can setup a system that looks at the email, extracts the necessary information, and then automates further actions. The simplicity of this tool makes it a pleasure to use.



[Google Sheets](#) is the visual representation of data that is fast and easy to setup. Additionally, the data here is endlessly flexible, aside from just filtering and making pivots. We use Zapier to get data both in and out of these spreadsheets, so that our team can quickly move from idea to implementation of an experiment.

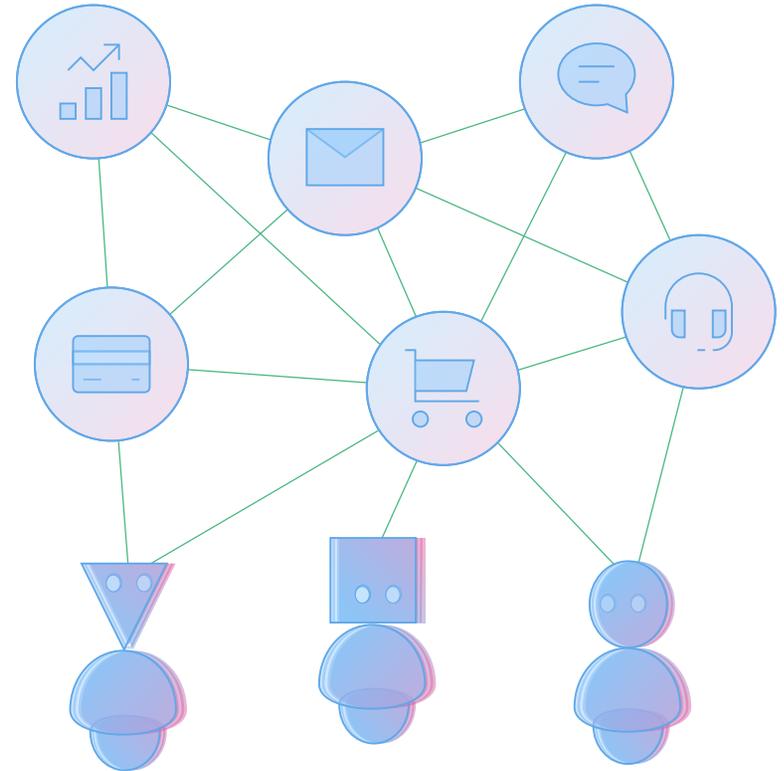
EXAMPLE 1:

Achieving omni-channel personalization while optimizing for CAC

PROBLEM

One challenge most companies face is making sure the messaging is consistent across all of the channels used to reach their audience. Especially when the goal is to ensure those messages are personalized to the target cohort.

Customers switch seamlessly from one channel to another. So why not meet them where they are?



SOLUTION

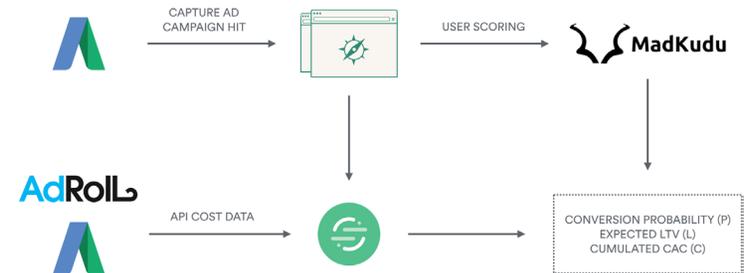
First, we need to collect as much data as we can about our customers. This includes event data from Segment, but also Clearbit enrichment data. Once that data flows to Segment's 200+ tools, it can be used to personalize experiences across multiple channels:

- Retargeting with Facebook and/or AdRoll
- Web with Optimizely
- Emails with Customer.io

This is just the beginning. We can connect all of these services so that prospects are automatically added or removed from various campaigns based on actions they did or did not do.

One example is an activation email that we want to send to our customers. If users do not open or activate from that email, then we can use Facebook Ads or AdRoll to add them to an activation retargeting campaign.

This is seamless channel switching that is automated. The added benefit is that we can create specifically targeted retargeting campaigns for people who no longer open our emails.



1.1. The campaign (Adwords), which prompts a new user to find and register for Segment, influences the user's web experience (Optimizely), display ads (Facebook), and email onboarding (Customer.io).



1.2. When users do not open an activation email, we can seamlessly add them to a specific retargeting campaign that contains messaging to remind them to activate.

RESULTS

So, with Segment, we can automate not just switching across channels, but also the messaging in each channel so that the entire experience is cohesive. But switching channels is a ladder of increasing cost and performance.

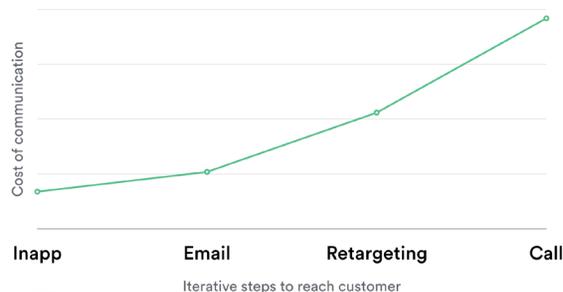
Even though it's seamless as a user experience, it still bears a problem: getting the CAC right is extremely hard in such a multi-touch attribution situation.

We used our Ad Sources integration, as well as connecting directly with the ad platform APIs to get cost information. And since we have scoring at the user level, we can calculate the expected LTV and conversion probability.

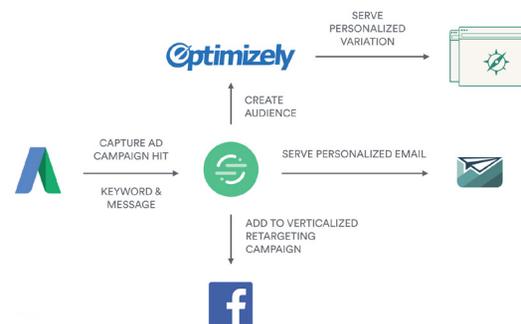
Let's illustrate this with an example. Let's say that our probability to convert a qualified user is 10%, and the LTV is \$1,000. If we agree to spend up to 20% of the LTV in acquisition, then our max spend is \$20.

This budget can now be used as a programmatic trigger switch to stop campaigns when you have reached the max spend.

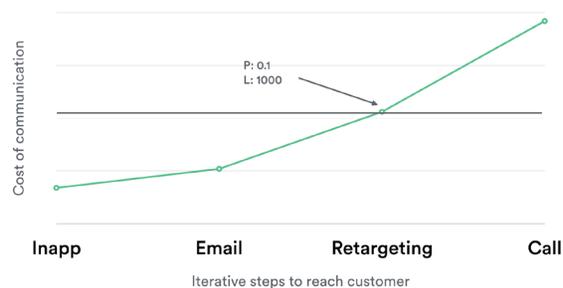
Not only have we created an automated system to show a consistent, targeted message across channels, we have also calculated and added triggers to prevent the CAC from being too high.



1.3. The cost of communication rises depending on the channel.



1.4. Pulling in Ad Sources data with MadKudu scoring data to calculate expected LTV and CAC.



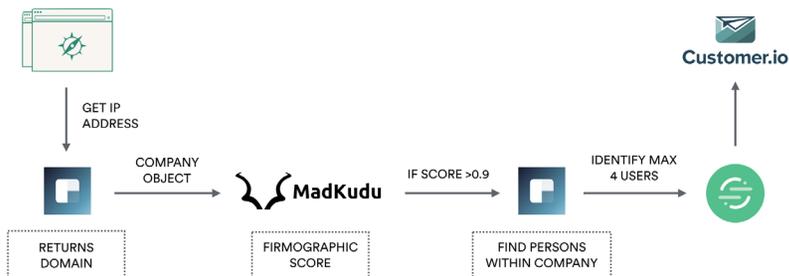
1.5. Given conversion probability of 10%, LTV of \$1,000, and spend up to 20% of LTV, we can cap the campaign budget at \$20.

EXAMPLE 2

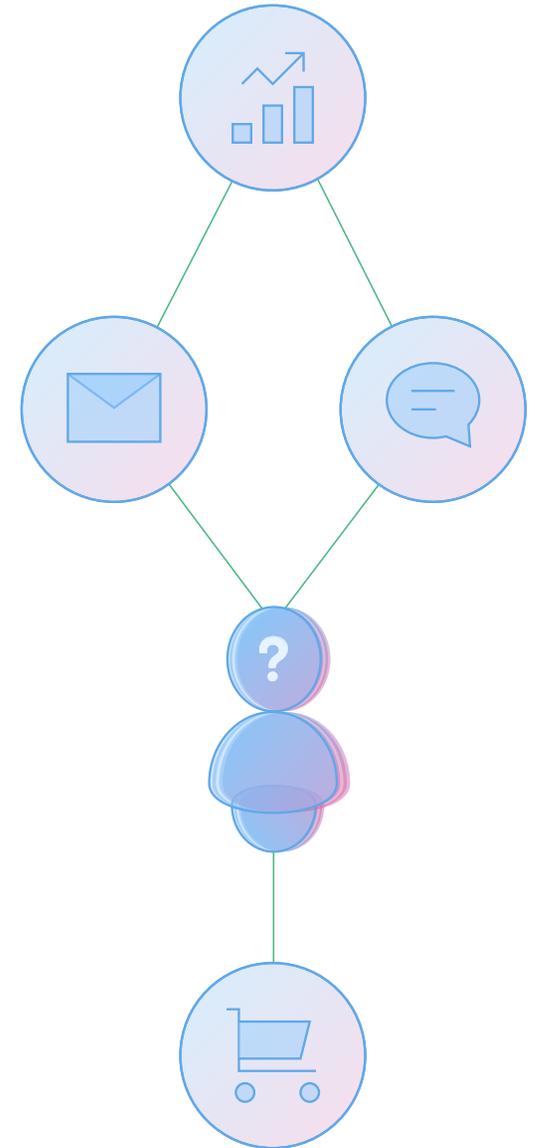
Finding outbound opportunities with anonymous traffic

PROBLEM

When anonymous visitors come check out our website, the only way for us to get them to come back to our site is via retargeting campaigns. But what if there are ways for us to create personalized, targeted outbound email campaigns that consistently generate sales opportunities?



2.1. From an anonymous IP address, we can look up the company. When the lead score is acceptable, we then find specific individuals and automate an outbound email to them.



SOLUTION

There is one way to identify anonymous visitors based on their traffic: the IP address. Segment's client-side javascript library automatically collects this, which is then sent to Clearbit to identify the company domain. The returned company object can then be sent to MadKudu for predictive lead scoring. If the score exceeds a certain threshold, then we send that to Clearbit again to find an email address. Finally, the email address is added to an outbound automated email campaign in Customer.io.

This campaign currently identifies about 1,000 domains per day. This equates to 60 net new qualified companies (exceeding the score threshold) and 300 net new contacts per day.

In the spirit of automating the intentions and actions of a real sales rep, the Customer.io campaign is setup as a "double fake forward"—the "original" email is seemingly generated by a bot, which is then forwarded from my email to one of the sales reps with an additional blurb about the outbound campaign and why the prospect might find this valuable, which is again forwarded to the prospect from the sales reps email. And of course, this entire thing is one big email template.

Hi Megan,

Venice here from Segment. I was speaking with Guillaume (our VP of Growth) earlier today and he came up with one of his crazy experiments.

Not wanting to sound creepy, but he tells me that someone from [REDACTED] might have visited our site (see below). Would that person have happened to be you? If not, can you point me in the direction of who Segment seems most applicable?

Otherwise just let me know and I'll let Guillaume know his experiment didn't work :)

Thanks,

Venice Patrie, Growth Manager @ [Segment](#)

----- Forwarded message -----
From: **Guillaume Cabane** <guillaume.c@segment.com>
Date: Thu, Dec 1, 2016 at 6:21 PM
Subject: New domain identified: [https://\[REDACTED\].com](https://[REDACTED].com)
To: Venice Patrie <Venice.Patrie>

Hey Venice,

as discussed I've been working on a small side project these past evenings, which supposedly identifies companies visiting Segment's website.

I checked their website ([REDACTED]) and saw that they're using Google Analytics, Optimizely, and New Relic. Super relevant right??

Could you please look them up on LinkedIn and see if you find people in product or engineering that might match?

Maybe I'm getting too excited. Let me know how it goes!

BR,

G.

----- Forwarded message -----
From: **Segment bot** <bot@segment.com>
Date: Thu, Dec 1, 2016 at 4:42 PM
Subject: New domain identified: [\[REDACTED\].com](https://[REDACTED].com)
To: Guillaume Cabane <Guillaume.Cabane>

New domain identified: [https://\[REDACTED\].com](https://[REDACTED].com)

<https://segment.com/docs/integrations/klaviyo/>

2.2. An example of an outbound email template that gets populated with dynamic data from Segment and Clearbit.

RESULTS

Not only have the results been positive, but the reception of this outbound approach has also been well received by our prospects. This campaign currently achieves a 71% open rate.

Is this creepy? Here is an example response to the right.

Notice how the person we emailed did transfer our email to two other people, who in turn transferred it to another, who then replied to us.

Not bad for a cold email, right?

Hi Venice,

I have definitely been looking into ETL as a service solutions. I was considering Segment.

If you are free to hop on a call with me today, that'd be great.

My number is [REDACTED]. Give me some time slots that work for you.

Thanks,

Bernard

Product at [REDACTED]

On Fri, Dec 2, 2016 at 10:32 AM Shelley <[REDACTED]> wrote:

----- Forwarded message -----

From: **Winston** <[REDACTED]>

Date: Friday, December 2, 2016

Subject: Re: Fwd: New domain identified: [https://\[REDACTED\].com](https://[REDACTED].com)

To: Shelley <[REDACTED]>

FYI

Henry [REDACTED]

Head of Product

[https://\[REDACTED\].com](https://[REDACTED].com)

2.3. An example of a successful response from this campaign. Names and words changed for privacy.



Next generation marketing

Regardless of the advancement and capabilities of technologies, marketing will always be a business challenge that serves people. It is the target consumer who makes the decision to buy, places trust in your brand, or agrees to subscribe to your newsletter. Technology, instead, just enables us to be smarter about our messaging, allocating our sales resources, and providing value to our prospects to build rapport.

What growth marketing experiments are you currently working on? We'd love to hear about them in our [marketing stack forum!](#)