B2B SAAS MARKETING MASTERCLASS | Bert Winterfeld, Head of Performance Marketing @ HERO Software | #13

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Show notes

Bert Winterfeld runs performance marketing at HERO Software (B2B SaaS, Series B, >$50M funding) with 6-figure monthly budgets. One of the key insights he shared in our Masters of Search interview was: Paid search in B2B always hits a ceiling, and only branding breaks through it.

If you're running performance marketing at a startup with serious search budgets, this episode is packed with insights you won't find in any LinkedIn carousel.

Let's connect! Niklas on LinkedIn: https://www.linkedin.com/in/niklas-buschner/ Radyant on LinkedIn: https://www.linkedin.com/company/radyant/ Bert on LinkedIn: https://www.linkedin.com/in/bert-winterfeld/ HERO Software on LinkedIn: https://www.linkedin.com/company/herosoftware-gmbh/

Full conversation

[00:00:00] If you're running performance marketing at a startup or scale-up, especially with a big paid-search budget, this episode of the Masters of Search is for you. My guest today is Bert Winterfeld, who is head of performance marketing at Hero Software, a super successful German B-to-B ZARS startup. They most recently raised a € Forty Million Series B in July, twenty-twenty-four to become the operating system of tradesmen across Europe. Bert works in online marketing since twenty-ten, so he has seen the rise and shifts within the ecosystem firsthand. So I asked him to join the Masters of Search to pick his brain on all things paid search and performance marketing. But before we dive in, Bert, thanks so much for joining.

[00:00:45] Niklas, thanks for the invitation. Since two thousand ten, that sounds like I'm really old. But then again, I'm over forty and I was doing online marketing even before Facebook was this thing here in Europe. Let's do this. Happy to be here. I think from what I saw about your work before the talk, I feel like you're still pretty much on the cutting edge. I try to stay there, yes. Nice. So maybe to give listeners of yours a better understanding about your role, can you describe a little bit how your role at the head of performance marketing at Hero Software looks like? So it's a bit like a middle management role, I'd say so I'm reporting of course to direct the marketing into the sea level and then I have my team.

[00:01:35] So we have four people in my team. It's a small team. We don't try not to like load up the team a lot of a lot of people. So yeah, I'm in kind of sandwich position to try to manage the expectations of the sea level and trying to spend the budget in the most efficient way and also try to of course

motivate my people. and A very important part of my role, which I didn't really plan, but it's just what it is in BtoBsars, is trying to chase the sales folks. So you have to, of course, marketing and sales, they're always like companions and they have to run together. But my role, especially, it looks a lot like, okay, what is happening to our elites that performance marketing is doing, is bringing in the demand capture and the demand gen channels.

[00:02:26] Super interesting. since you already mentioned the team Can you take us a little bit behind the scenes of how you've structured your team? like which? which roles do you have and Which responsibilities do people have in the team? Yeah, of course. So we have only one person for paid search. That's a senior senior position for paid search. Maybe I have to say beforehand that we are focusing on Germany right now. We have like some you know, go to market motions in France and the Netherlands. So it's not not pure German, but I would say also if you take like the time we spend on the account or the budget, it's ninety percent Germany. So because that's where we want to it's our home turf and want to gain market shares.

[00:03:11] So I have only one person for paid search and this one person is a senior role. He has very experienced like ten, ten, seven years and in Google ads being ads. YouTube has seen everything display, you know, whatever is out there, paid search. That's the role of my paid search manager. Then I have one paid social manager. That's a woman. She's also senior position. And she's taking care of our new, actually, I have a new channel. It's Meta, Meta Ads. So we tried out Meta Ads in the past, didn't work out well. And then when I come to it later, because paid service under pressure, we try to open up new channels. So then we hired one person for paid social. And she's also doing a bit of data management and reports for the sales team.

[00:04:01] Then I'm a third person and he's like, you know, the Swiss Army knife a bit of not not like the classical performance marketing manager, but he takes care of, you know, all the affiliate platforms or comparison platforms, you know, when you search for craftsman software. They're also comparison sites, so we want to make sure that we are found there, that we rank highly if we can. Of course, that's always not on our side, but he also tries to generate reviews from existing customers to get like five out of five stars because that's a certain ranking logic on these pages. And he's also running our referral program. So for example, when you are an existing customer and you want to recommend Hero to a friend, You can get up to a three hundred euro for a successful referrer.

[00:04:48] That's also his role. So it's a bit of. it's a mix. Two specialists for two specific channels. And once was army knife with a working student was doing a bit everything in between. And then that's me trying to juggling everything. Yeah, let's get a little bit more into that juggling. How does your day to day look like? Do you spend most time? in dashboards, accounts, meetings, or in the coffee shop next to the office? I'd say I start my day always with a coffee on my couch. So I work from home, I'd say three days a week and two days a week in the office in Berlin. It's actually heroes from Hannover, but there's also a Berlin office. And yes, when I start my day, it's always the coffee and project management and checking the accounts or more the dashboards.

[00:05:40] So I don't really look into the Google account on a daily base because I have a senior person on this. So I know it's running. But of course, I check the number of leads. I check what's happening to these leads. How do they progress into the journey into the sales team and so on. So that's a big part. And then of course, it's a lot of meetings. It's a management role that comes with the role. So it's a bit less operational, more organizational, I'd say. So yes, to answer your questions. not in the accounts a lot, but in the dashboards, which then leads to questions for the accounts, basically. Okay, great. I said in the intro that you're already in online marketing since twenty ten. In your role at Hero Software, you are like about a year or a little bit more than a year.

[00:06:28] Can you take us a little bit With you through that time, have there been any important or interesting milestones during your first year in your role at Tiro? Actually, next week is my first anniversary. I started first of October, in the year of And I would say it was not messed up.

[00:07:00] So Hero was always able to track things, but we could do things better. So for example, I took Google Analytics IV to a whole new level. We set up server-side tracking. We have Salesforce in the background where all the leads are coming in. So also we had to set up some Salesforce logic, some reports. So I'm close with the revenue operations team. They are running Salesforce. And the big milestone, I would say, If you know BtoB is us, you have different lead stages mostly, right? You have like a raw lead, in our case, it's called unconfirmed lead, then they click on the email, they say, okay, I want to really have a test account, that's a confirmed lead, and then they progress until the sales team calls them, it's qualified for sales lead, and then it's a demo, and then it's an opportunity whatsoever.

[00:07:48] And what we were not really good at is to know the value of these stages. It's always a bit tricky, right? So when it comes to e-commerce, you have like, of course, the price of the product and the margin, whatever, you can work with this. And sales and BtoB is asked, you don't really have this. So what we had was like very static conversion value. So we said like a demo is worth like, I don't know, five hundred euro, while a raw lead is only worth fifty euro, whatever. And we are trying to optimize with this. But you had the tendency or hero had the tendency then to overspend or to overvalue the actual stages. Leading Google to spend way too much money because they think, oh, they are doing so much return on ad spend because the values are so high.

[00:08:39] So what we did now with success, doing kind of dynamic conversion values. That was a big, so for all the paid search geeks in the audience or the tracking geeks, so basically when you Let's say you type in a keyword, it's craftsman software, you click on our ad, you land on our website, and there's a form on a typical test sign up form for a test account. So we also ask what kind of industry or branch are you in, like electrician, plumber, roofer, photovoltaic whatsoever, they're like, twenty six industry or so. And we ask you for the number of employees to the size. And then of course we have a database of existing customers. We can say okay, that's like an electrician. They use like this and that feature mostly.

[00:09:26] Yeah, and you can say okay the company is between two and five craftsmen or tradesmen. Then you know like when you price on the number of licenses, you know what kind of monthly recurring revenue is likely to come in. Yeah, so then you can automatically put a conversion value behind this. right. you can say okay. There was a roofer only two people. then A demo help by the sales team is worth like two hundred euros. Let's say I'm not saying the real numbers, but you get an idea. And if you have like a photovoltaic, which is our ICP, our core customer profile, for example, photovoltaic company, they put like these solar panels on the roofs and they have twenty installation guys, right? Then you can automatically say, okay, that's very likely to be a much higher monthly recovery revenue.

[00:10:15] So you give this dynamic value. back to Google and say okay this wasn't a valuable customer. try to find more because of course in paid search we have always difficulties to target the real ICPs. right because nobody or very few people type in software for electricians that they still search for

software for craftsmen and then they want to compare different different vendors. because very difficult to target them. but at least with this form In this kind of information, you can try to give Google ads and Bing ads an idea of what a valuable lead looks like. And the next step would be, of course, having the sales team calling them very fast and actually confirming the value we have in this automation.

[00:11:04] And to confirm the value and say, OK, this opportunity now has a value of, I don't know, x-thousand euro of ARR or MRR. And then you give this dynamically back to Google. which would be the next step. The thing is here, of course, you cannot take very long sales cycle for this. So you must have the information quite fast to give it back to Google. Otherwise, Google does not allow you to re-upload this conversion value. So that's a basic milestone. to summarize this from very static conversion values to more of a dynamic approach to train the AI of Google to see what actually could be a valuable lead for us. I think it's a great tactic or a great strategy, not necessarily a tactic, but it involves a lot of operational knowledge.

[00:11:54] Can you quantify the impact in any way? How have the numbers changed after you successfully implemented this whole very strong offline conversion tracking setup? A quantifier would be like in the two-digit percent of cost reduction, I would say, because you're spending less money than on gassing and on leads that are not that valuable. So you try to say, okay, this is what a lead is worth. Try to give me as many leads for this value. So I would say we are not making much more leads because it's not like we are scaling up a campaign. but we're trying to be more efficient. And it's also a very important lesson I learned on paid search. And I would even say this provocative thought here, because the podcast is called Masters of Search, I would say there are no Masters of Search.

[00:12:54] There are craftsmen of search, right? So it's like our ICP, our clients, which are craftsmen, they're also, they're never done. You can be a master, great, but you always have to. If someone in the audience owns a house, you know there's always something to do. It's also in paid search and in performance marketing in general. So there is no hack. I can't give you a Google hack or like this magic trick. So what's the saying? They would say we are all putting our pens on the same way or the German equivalent would be we're all cooking with water like this. Yeah. So there is no magic trick. So we have these conversion values and other AI analysis and stuff. that's coming up right now, it will make you more efficient.

[00:13:40] But I cannot go to the C level and say, with this trick, next week, I will bring you two hundred more leads, valuable leads. That's not going to happen, especially in B to B, where the keyword volume is typically low and very expensive. So it's not e-commerce. It's not something where you have like millions of searches every week. So also to ask your maybe your later question, paid search and scaling, It's really difficult. Let's save that for now and let's tap into that later because it's a pretty sophisticated setup. You've built up there and two-digit cost reduction is still very great. I think a lot of people in the audience listening to this that are running at least five-digit, maybe medium five-digit or six-digit budgets a month, they would they would really appreciate a double digit cost reduction.

[00:14:39] Is there anything else you have implemented successfully to improve lead quality at the same level of costs or like while scaling, so to say? Yeah, in paid search it's a bit difficult. So what we actually did successfully ramp up the channel paid social? Because you see when you have these typical campaigns and paid search, like our, let's say, the top non-brand keyword campaigns, it's expensive and only a few people per month are using it or are searching it. So there's no real way to scale it. So what's your real way to scale? it is branding. Not even demand, Jen, because there is a demand for software and craftsmen. Craftsmen are actually pretty tech-savvy and pretty digitally aware, I would say.

[00:15:28] So we are not really competing against the pen and paper, but we are competing against

Microsoft Word, Excel, Outlook, all these digital tools. So there is a demand and people are aware of their software for craftsmen. So it's not like a whole new product that you have to generate demand in that case, but you have to scale up the branding. So when my paid social works, then my paid search brand campaign works even better. And this is because more people are searching for hero software. That's the case. So what we did now, we managed, we found a way to scale paid social from just a couple of leads a month to a couple of hundred leads a month, which is like a huge, a huge increase. That's very nice. And we see the spillover to the other channels, especially the brand campaign and paid search.

[00:16:18] And what also is a nice way in our, at least in our industry is to use the PMAC shopping. campaign where we like fake like. we have a CD a software CD and we have it in the shopping ads Because things but that's interesting specific but craftsmen are pretty used to old school on on premise software. So they really had this. they bought like CDs CD Rom and then they installed the program on their laptop on there on their PC and then they They worked from from there. So like like having the cloud and always in the browser software cloud-based. That's not so common. So people are still searching for program for Craftsman. By program, I mean like a CD. And then you show up and you fake like a little e-commerce product.

[00:17:09] And then you get a lot of leads, actually, right? So my take would be also for the audience, try to learn as much as you can from e-commerce, even if you're in BtoBsass. Because if you master e-commerce with all these amazon.com and all these vendors and internet pages. If you master this and still make a good business, I bow to you, you're the master of marketing, I'd say. So e-commerce is like the Champions League of marketing and whatever you can learn from them, be it tracking, be it conversion values, also conversion values, try to be as close to e-commerce as possible, try to give like the card, the added card value, try to give it back to Google and to all the AIs. And yeah, try to use Google Shopping campaigns for your BtoB Zars product.

[00:17:59] Just try it and it works. I love the analogy. I also saw your shopping ad and you did this mock-up, which looks like a cardboard, like the typical Cardboard packages where you have like the the DVD or CD in. and would you say because I feel like this is something that Some B to B sauce companies already do so I think I also saw safe desk doing it. So for everybody in the audience that does not know safe desk. It's a I would say pretty successful German like invoicing accounting software, especially targeting solopreneurs or like small, medium-sized, so rather on the small side of businesses. I saw them doing it. I saw LexWare or LexWare Office, LexOffice doing it. But would you say like, did you already see a competitor of yours copying that strategy?

[00:18:57] Well, I don't look so much at competitors, to be honest. I think I didn't see it yet. I mean, we have like two competitors in Germany that are really close to our product. And then even LexOffice, It's like a competitor. Because we also want to be like the operating system for craftsmen. Of course, you compete with one or two that are close to hero. But you're competing against three hundred of software vendors that have specific stuff for HR, for finance, sending out offers, getting invoices. So that's a lot. And I'm sure they are doing these Google shopping campaigns. for the direct competition, I haven't seen it, but of course when we are doing it, they will notice at some point, it's no secret, right?

[00:19:48] So it's not like we are doing something magical behind a curtain that nobody sees, so I'm sure they will also try it. Yeah, it's something where I think there's the saying, it's hidden in plain sight, right? So if they look carefully, they will notice it, but... they might not necessarily look. But let's talk about the competitors real quick, because you said something like, I don't look too much at competitors. And I find this interesting because I did an interview here in this podcast with Margos Weber, who is head of web at Pipe Drive. And I think I would say Pipe Drive generally also relatively successful

company. And he said the same. But still when I talk especially to I would say rather early stage founders or marketing executives there, I feel like it's the complete opposite.

[00:20:41] So they're looking a lot of competitors. They're comparing a lot. Please just give me a little bit of your thoughts on that. Why not looking too much at competitors? or what differentiates you from like the, and I don't want to blame them, but what is the key difference maybe in your mindset to these early stage founders I talked to? Yeah, I had my my startups to back in the days even earlier. So I was a founder to a little agency. I tried to have a software business and I was really obsessed with competitors. You know, you have the similar web you have some rush you have all these SEO tools and you try to find out who's ranking better who is doing better paid search Blah blah blah, but the thing is is your product really comparable?

[00:21:24] Usually you have like some kind of tweak and function and feature that others don't have and try to focus on this and try to focus on getting this out to your ICPs. In Google Ads, of course, I can see my keyword set and I can see who else is in the auction for this keyword set. I see my competitors, I see my impression share, I can see am I more visible or not. But what really does this information do for me? What value has it? For me, the value is how expensive is a lead, and how is this lead progressing through the funnel? And that's totally on my own metrics and on my own sales team and my own assets, like display ads, whatever paid social ads. The competition cannot help me. I can sometimes look at them.

[00:22:12] So I do it and paid social. You have this ad library, right? You just type in the competitor name and you look at this and say, okay, they have a new campaign running for this. They have a special offer. Does it make sense to have something similar? or they have these lately? I saw an ad which we don't use. they use like some kind of. They give a bonus when you switch your current software to their product. Yeah, like an exchange. so you you get a couple of hundred of euros if you abolish your old software and buy their software. Yeah, that's not a USP in the software. That's just like trying to get this greedy. people who would like to have money for software change, try to get them. But I don't really think the approach works for us.

[00:23:00] Because usually when I see craftsmen, they don't even, even in our referral program, they sometimes they don't really care for the money I could give them. So it's just like, they don't want to bother with this. A craftsman is out there on the construction site. He is doing this and that. And like killing his own software and buying a new software where he get rewarded one time. So I don't feel it. I see it for the competitors, but I don't copy it. I try to check, OK, what makes my software unique or my solution? And how can I market this to my ICPs? So in Google Ads, I mean, this game is done. Everybody knows the keywords. And they're not really evolving that much. It's more like you add more negative keywords every day than you add new keywords to your campaigns, definitely.

[00:23:52] So you try to make it even smaller, try to limit your reach, except for PMAX. So yeah, I never gained real value from looking at the competition, because they're doing their thing, they have different products, different approaches, maybe different ICPs. So try to make the competition look at you and not the other way around, basically. That's a good one. There's also the saying, right? Copying is the sincerest form of flattery or something where basically if someone copies you, you know, they really admire you. I like that one. You already talked a lot about ICP. And I think there are a lot of people out there that have a hard time to really understand their customers in detail. So really know what their day to day looks like, what their frustrations are, what are the key messages you need to play as a marketer, independent of the channel, be it search or be it social.

[00:24:58] But what do you do to be close to your audience, to really understand them, to have a grasp on the messaging that works the best? Because I feel like you're, so you know a lot about craftsmen,

I'm just wondering. How do you know it? Well, first my father is a craftsman a plumber. So I'm from this kind of yeah almost Emily. so blue color worker is my it's my background. So I was the first to study my family. So I know this background and you know how to talk to these people. Yeah, they also. For example You can try LinkedIn, but I will tell you it will not work on craftsmen. Sorry because my father Yeah, here's his tablet. He doesn't give a damn about LinkedIn, of course, right? So you need to have other channels.

[00:25:47] But for being close to your ICP, I mean, as a founder, it's quite difficult. You might really have some interviews with people. Of course, I came into this company Hero Software that was quite established already, quite a very good brand in the German market. So of course, the first thing you do, you talk to customer experience team. And you let them show you the tickets. the most frequently asked questions like what's the pain point? also what's missing what feature is missing? so that's like one idea for product and product marketing but also what is their pain? and also what are they thankful for? so right we have reviews and we ask customers to give us a review and give us honest feedback and they tell us oh this feature it saved me so much time.

[00:26:31] I mean, we are not making craftsmen better, but we are giving them more time to do their craft and spend less time on the weekend to write invoices and stuff. So that's your first pool of ideas, how to market to your ICP, because you know the industry, you know it's a Rufa, you know it's a photovoltaic guy, electrician, a plumber, whatever. And the second thing is that I really recommend, and I do this, I must do it more often. I have to admit, I do this maybe once a month, but I should do it often. be part of software demos. I just asked the sales team, hey, can I go into the software demo and then you do it for all different industries, for Rufus and Plumberus. And then you have, of course, you have to be silent because the sales guy or girl is usually very good at his or her job, but you can listen and learn.

[00:27:19] And they tell you which competitors are in their scope. So they know, I looked at this and I looked at that and now I'm having a software demo with you. So, of course, you lose the naive thought that you are like the exclusive vendor and they only come to you. They have spoken to everybody and they are comparing features and you can learn from this. and you can learn from what are the pain points with pricing for user licenses, for example, and you get a very good idea what people need. That's not a one-time project. I have a task in my project management tool that says I do four sales demos every month, so at least once a week. go into the call, just listen to the craftsman. So that's really what I can recommend, because otherwise they will not type this into forums, then they will not really type this into Google, so that you can actually try to get a grasp of what they need from automatic tools.

[00:28:18] And now we have LLMs and ChatGPT. It's even worse. It gets more complicated, but talk to the real people. I find it very interesting because a lot of people I see on LinkedIn and it's basically the same type of people that are sharing the NADN workflows where you have to comment NADN and you get a dysfunctional template workflow. There are also a lot of people that say, hey, AI made audience research obsolete. And I feel like this is probably one of the last things that you should. not do yourself anymore right because they say you can go to perplexity and just type in for your example here it would be craftsmen frustrations pain points and then you you limit the search to read it or to something like that and I feel like this is really.

[00:29:10] this is really not how it works right. It's a lazy way to the first of all you. give your control away and you trust an LLM that you don't understand. Where's the information coming from? Is it hallucinating? Still in Google, you find a lot of weird, weird sources and LLMs is the same. I feel like LLMs are bringing back the old gray head and black head SEO times where people try to get paid guest articles everywhere to train the LLMs on this. I don't really trust those. Always trust your... your own gut

feeling and your own experience. And talking to the customer cannot be substituted by asking for complexity. It's a lazy way. I think it's these. And I like this. I'm in this LinkedIn bubble, too. We have this career-driven view in the social network LinkedIn.

[00:30:03] But a lot of stuff there is bullshit. It's really like, oh, I can get you rich, quick, and easy. Just comment on this post underneath this post. I will send you the newest hack. And then you will understand your customers. As always, I try to report these posts and say, disconnect to the people, actually. And really, in the last year, I would say, I disconnected to more people than I connected to new people, because there was a lot of this AI bullshit bubble. Of course, everybody labels AI on their product. I mean, we have AI in the background, but we don't label it as AI. We say, hey, it's hero automation. It saves you more time because your processes, they're set up once. And the processes are running automatically, and it saves you a lot of time.

[00:30:48] But we're not telling you it's your new AI voice assistant, which is not even a cool feature, instead of typing things, speaking things into the system, and then checking if it's understood you correctly. So I think this AI bubble, it makes you more efficient, but it cannot really think for you, at least not for now. Yeah, I did the same. Most recently disconnected a lot of people and I encourage everybody that is frustrated with their LinkedIn experience. So I don't have any commercial interest in this, but do not leave the platform, but rather curate your feed better to see more from people you truly value or you find insightful. It will elevate the experience you have in this social network by far.

[00:31:44] Speaking of AI, so AI in Hero, we learned, we have AI in Google, but what about the AI in Bert? So how do you use LLMs, for example, in your daily workflows, in your role? Is there anything that you can share where you feel like, hey, this is actually something very helpful that I do for XYZ task? So personally, of course, I even pay for chat GPT privately because I... like to ask HGPT. That's a very good way to actually gather information and also evaluate the information. That counts for private life, that counts also for our professional life. So for my private life, I bought a new motorcycle last week and I had these ask HGPT. I feed like all these classified ads where you can just buy a motorcycle.

[00:32:38] I feed this all to HGPT and say do a comparison on features, on pricing, on mileage and so on. get a really great result and I bought a new motorcycle. And for professional life, it's the same. It makes me more efficient with a lot of data that I cannot really analyze manually. So for example, when I started at Hero, we went through keyword lists and say, OK, does this keyword make sense? But then the keyword is not really like search behavior, right? It's just like a glimpse of the actual search terms. And you go to the search term report and look at the words that actually showed your ads to. But AI is very handy when you can export the data from Google Ads. So let's say the PMAX campaign, right? Even in a B to B ZARS, it can run on fifty thousand keywords a month.

[00:33:26] So you have to control it. Is there brand in there? Is there competition in there? Like what kind of keywords that you have to understand it? And it's a lot of. it will take a lot of time. So we what we do is we export it in a Google Sheet. And then we feed it to our own. We have like a closed. AI, because of course we don't want to train models publicly with our own data, which is confident. So our own model, our own tool. But then I can tell, I can say, OK, these are our competitors. Please look for different competitors. Are we actually bidding on their brand name when we don't want it? Because their product is quite different. So we know we are not attracting the right customer audience when we're bidding on their brand name.

[00:34:10] And the same goes for other different keywords, our own brand. So we try to keep PMAX away from our own brand. So we run our own brand campaign. So everything that has like hero or hero software in it. But of course I want to have it excluded in the PMAX campaign because otherwise PMAX, because PMAX is going to, okay, give me as many leads as possible for a good price. So the

PMAX campaign will go for your brand. because that's the best lead for the best price, definitely. It's just like logical. So try to get these exports and get this evaluated by JCPT. So my job is not done by AI now, but it makes me, I think, five to ten times faster, at least, more efficient. I can spend more time on strategic thinking, on budget planning, even with budget planning.

[00:35:00] AI can help, right? You can just feed in the data you had all these years. Then you think, okay, give me suggestions where I could distribute my budget better, but you still have to think for yourself. It's just a tool of efficiency. Very nice. Also, like most recently, as I like to use Claude a lot professionally, I don't know. I think because it once had this little leap forward in terms of coding to chat GPT. But now Claude introduced the capability to create Excel. Sheets for you actually and I so I use another to which is called whisper flow which allows me to talk to the computer much better than the integrated. Dictation feature in the Mac and then I basically speak to Claude and it creates an Excel sheet for me and then I can export it to Google sheet and then I can work from there.

[00:35:57] it's like things that have that used to take three hours. now maybe take one and you come to a significantly better result because you can. you can brain dump more of the thing you have in your head. Exactly, but you still have to be careful because we found mistakes in the exports or in the interpretation of the export. The export was quite straightforward. You have NADN and you pull it from there and put it there. We use Google spreadsheet because that's our Google Suite, no Excel, but the same story. But then in the interpretation, it can be quite cheesy. And also, sometimes it puts the wrong data. It says, OK, you had these impressions on this keyword set, and you had the clicks, but the costs are zero.

[00:36:42] When you say, that can't be the case for a click. So yeah, you have to double check it. And so what we have at Hero is actually the person who is responsible for AI workflows in the whole company. And then in every department, we have an AI champion. So a person that's really, so for a marketing team, we have an AI champion and he really goes to every marketing person, how can AI make your life easier? And then we have this AI architect that really tries to get it all together so that not everybody's using like ten different tools, but also maybe one tool set and that we learn from each other and we have AI circles. That's a monthly call, we exchange knowledge. So we are doing it and we we see the impact it can have, right?

[00:37:30] But it's more like an efficiency tool and not like doing the job for you. Interesting. We got a touch on at least two more topics. One topic you addressed almost initially was scaling. And that scaling in paid search is pretty complicated or I don't know how you said it, maybe you even said that it's very hard to do or that it's almost impossible. So a lot of people might wonder, hey, bad, but if you're doing paid social, there are also these formats like Demand and PMAX, you already touched on that. It obviously has an old channel component in it, but then there's DemandGen and then there's YouTube campaigns. Can you share a little bit of your learnings from DemandGen and from YouTube and if you had success with them?

[00:38:22] And if not, why not? we had success from them when we looked at the right metric. So he read a very lead gen driven approach. So there always has to be like a good cost per lead, a good number of leads on every channel, a good closing rate, you know, a good ARR whatsoever. That was like the North Star metric of the company. But when you have like paid search and you are especially in one market, you could scale through internationalization. That's still the case. But if you are in one market, And the keyword set is around B to B is us. It's pretty niche. It's difficult to scale there. So you have to go into demand gen or branding. And of course, you have to look into different metrics. So it's not like then.

[00:39:07] it's not the number of leads, the number of MQLs. It's suddenly the reach. How many

eyeballs did you see my ad? Or do I see the impact on my brand campaign or my organic brand search? So we are focusing heavily on brand now. because you cannot scale the non-brand sector that much. So we are doing, for example, what we did this year in May and do next year again as a big event called the HeroCon, which takes place in the stadium of Borussia Dortmund, like a famous German football club. And our own goal is to be the online marketing rock stars for craftsmen. So do a lot of branding and for paid social, of course, we have a mix. We have some lead gen. Some campaigns are really saying, okay, save time, because everything is running automatically.

[00:39:59] It's the best software for plumbers whatsoever to really measure the lead gen or to really generate leads. But we also have brand campaigns in it that help us. It's hard to track. But for example, we have this testimonial or the face of Niklas Völkruck, like a famous footballer. He's not the most famous anymore. Florian Woods would be better, maybe. But when we signed Niklas Fühlkrug, he was still playing for Dortmund, so which means yellow and black were the colors, which are also our colors, blah, blah, blah. So of course, we had a video shooting with Niklas Fühlkrug, and we play this in all the channels, also on paid social, to really get the name Hero Software out there and to really get our message done, like spend more time doing what you love or what you can, like being a craftsman and actually building stuff.

[00:40:48] And don't spend time on this whole back office. thing that actually distracts you. So then if you take the region to account, we were successful. But of course, it's not the lead impact right away. So it's also like a time, it's a delay in there. So you have to snick this circle campaign, you have other maybe display campaigns, and then you might see a race and brand search at some point or into other channels. But it's really, yeah, it's more like we're going back to the old funnel approach. branding awareness and then this legion or demand capture on the lower funnel. Yeah, but it still works and you have to do both basically. So like a summary for all you out there, scaling works to a specific level, but it will never be like it's exponentially because that's not the case because also the search volume is not growing like this.

[00:41:44] So if you have a startup or your start, you maybe call it scaling a bit because it's always going up. for maybe even a year or more, but at some point you will hit like the ceiling, a plateau. And then you have to do like all the other channels and demand and branding to actually get the most out of your channel. I can imagine people in the audience thinking, how did the head of performance marketing get management buy-in for branding? Because I mean, probably you have been judged and you are still judged by a set of numbers kpis pretty data driven. i can imagine also hero from everything you you just shared being pretty data driven in all aspects. What can you share like what? how did this conversation look like?

[00:42:36] so did you just say hey look we hit a ceiling and we have to do something else. or did you do like a sophisticated forecast branding. Brand formants, modeling, how did it go? Actually, the whole development with AI helped me with this. Because we saw that paid search was coming under pressure. You can see in analytics, you can see like chat GPT referrals on the rise. It might be still a small number, but it's growing and it can grow even more. So you have to say, okay, paid search, these like ten blue links with some ads above it. it's not the future. We have to do the hard work, the baseline, we have to optimize every day. But if you would like, let's say you cut off all the non-brand performance ads, just because it's expensive, I pay maybe twelve euro per click in some campaigns.

[00:43:30] It's really expensive. Turn this off and you will also see brand coming down a couple of weeks later. In the other way around, it's the same. Try to turn brand off. So there was a theory. I can tell you this story. There was a theory last year that we said, the agency level said, okay, why are we doing a brand campaign and paid search? It should all be organic then, right? If somebody is searching

for hero software, let's put an ad on there. Let's not waste our money because there will click on our organic ranking or organic position anyways, organic result. That was the hypothesis. And we reduced the brand budget by sixty percent. like really okay for one month, it was like summer month, so not the biggest impact, not the most relevant quarter in the year.

[00:44:15] We did this with a theory, okay, organic search will catch up everything. Guess what, no, didn't work. So we said, yeah, we are making now less leads with the brand campaign, but SEO brand doesn't make more leads, because you know, SEO brand is hard to measure, but when you know from which landing page the lead came, then you know, okay, for which keyword is this page ranking for, homepage, of course, for brand. So it didn't really get the leads we lost in brand paid search. So I said, you see, brand paid search? No, because the competitors will book the ads on our brand, and they will get the click then, and maybe they get the lead then. So our organic search result, not going to happen with all these knowledge panels and what you have.

[00:45:00] It's really, let's get pushed even more into the lower part of your viewport and stuff. So we said, OK, we need to have brand. Then I could say as an argument, look, the search volume is not really scaling. I can try to have the most impression share, but it's not scaling. So I have to do paid social. I have to also do lead gen on paid social, but also brand on paid social. And then we had this big event, the HeroCon, this year with like seven hundred craftsmen coming there and a lot of influencers, like craftsmen who are actually on Instagram and TikTok and so on. Then guess what? The brand search was increasing. So again, and then you get leads from this brand search. They might have seen you on the hero corner or some exhibition whatsoever, but the demand is captured by the brand campaign and paid search.

[00:45:48] So you see your leads going up there because people remember you and then they search for hero software and you click on your ad and they do a test account. So that was pretty easy to say, okay, paid search, especially for non-brand will go down. We have to go even more on to PMAX and more on to display, more on to Dimanjan, more on to brand. And that was pretty much the case. And then I got a specific brand budget because it's all linked together. You cannot really cut down one channel that you find pretty expensive and expect not to hit the other channels. And what we are doing next, we also will ask, we're doing it already, we'll ask the leads where they actually heard from us the first time. Because the brand or paid search might capture the demand.

[00:46:36] So people are searching for hero software, click on the brand that they sign up for a test account. But that's of course not the real deal because they have to be aware of hero from somewhere else. So yes, we know demand capture is paid search brand, but what is the actual, what's the actual channel? they heard of us the first time? Was it word of mouth on the construction site by some other craftsmen? Was it an exhibition, HeroCon, organic social whatsoever? And then you get actually a good idea of what really works. Then it tells you also not to switch off the brand paid search campaign, which was an idea, but it didn't work out. Awesome. Do you use any specific text deck to bring together this? How do you know about us?

[00:47:24] So self-reported attribution insights and then the... whatever cookie base like last click attribution insights. or do you have just your own Triangulation sheets you work with? how do you handle this data? It's all in Salesforce all the CRM. So basically What the website does of course? It sends all the the campaign information from UTM parameters into a cookie. and who sales force when the lead is submitted. So you have this last click is very easy. That's like pure pure web tech. And then the sales team, of course, they have to be trained or they are trained to really ask this question and fill it out. We're also thinking about having this in the onboarding in the software, of course. So because in the lead form on the website, you cannot ask everything, like, for example, invoice address and

something like this.

[00:48:20] That would be too much. It would be a conversion breaker. So once you look into the software and your test to come for the first time, It's like an onboarding module that asks you more questions. What kind of projects do you want to have? and so on and so on. And also there you can have like, where have you seen us first? Like as a free text field or as a dropdown when you want to do like some channel grouping, let's say internet, TV, radio, etc. Whatever you can have like a collection or you because of free text field, people are too lazy to fill this out. So in the software, we try to give them like a little collection, a dropdown menu. drop down selection and then still the sales team has to ask them on the phone like rarely really heard from us.

[00:49:03] Maybe they even go a bit deeper and say, oh, it was Facebook. And then if you think that that guy is maybe digitally savvy, you can ask them, you know, what was an ad on our fan page or like try to get even more data into it. And then the sales team has to put it in sales for us. And then where it's all to come together like self attribution. self-reported attribution and also this normal last click. And how do you act on that data? Because I can imagine like when I talk to people about self-reported attribution, they generally get, so they get the why, but they have a hard time to figure out the how. So not the how in terms of capturing the data, but so let's say you have like a hundred leads and then you have like a variety of different campaigns from paid search and paid social that that are like in your last click attribution data.

[00:49:56] but then like your your set report attribution tells you something like. Niklas will cook or tells you hero con or tells you this and I can imagine that people say. Yeah but I mean if if now three people say they heard about me from whatever. Branding thing that we do is this enough to get. like the management buying to get more branding budget? or how do I act on these insights? What is like a significant amount of data to make confident decisions on? You would need a lot of data. I would say let this program or this reports run for a couple of months. But when you do like, I don't know, four-digit leads per month, Yeah, which is totally realistic for B to B is us. So I have like one or two thousand leads every month.

[00:50:54] And then the sales team talked to a lot of people and they all tell you where they heard you or at the first time from you. It gives you a pretty good idea. You can at least say, okay, they all said, I mean, they will not tell you the ad and what was in the ad. Nobody can remember, but they said, okay, I saw Nicholas Philkru. I saw the ad for the HeroCon exhibition. or I saw you on Facebook, at least it gives you a glimpse, okay, could be organic, could be paid, but then of course the reach is different, right, so paid is way more reach than organically, of course, and then you can see, you get a gut feeling how important brand is, but you cannot do like, okay, they all answered, they saw my Instagram ad, we will push way more budget into the Instagram ad, that's not going to work, but at least like which channel out there It's going well.

[00:51:47] Interesting. I feel like you're executing a lot of things on a really high level and also in a very close loop between strategy and operation. There was already a lot of insight in it. What would you say is maybe one strategy or one operational tactic where you feel like that Others would find it the most surprising. So something maybe unconventional, something unusual. Unconventional tactic that others would find surprising. Maybe I can give you one, I feel like. So I feel like doing this hero con. This is still something rather uncommon and still so surprising. Because getting together, seven hundred people from your ICP, so I guess most of them are more or less, you qualify them in any way, I suppose.

[00:52:46] This is something where most people would say, hey man, this probably costs like, I don't know, mid five digit, maybe even more, I don't know, several hundred people. So is it really worth? So this is something where I feel like. maybe we will see more cool events in the future coming from

different B to B SaaS players who say, hey, HeroCon, this looks great. And if that tells me it works for them, I should maybe try to. So if you ask our CFO, if it was like getting a return on ad spend or on the budget. return and invest, he would say, of course, no, because it's not really even measurable. But the thing is, so first of all, an event gives you a lot of content. for your channels. You can be there at your own event.

[00:53:35] You can film the people. You can have speakers. Even craftsmen, they like to speak. Some are really good on stage. You get a lot of content for your other channels. You get a lot of buzz in the industry because there are not really many events for craftsmen on the scale. Of course, they're like little exhibitions for every industry, for every little... Roofer or what's whatsoever but not on the big scale. so you get buzz in from the industry you get to trust You get the influencers to be there because hey which influencer doesn't want to be on stage on the online marketing rock stars for example? if you work in online marketing Compare this to the craftsman. Bam. You have the hero con. so I would definitely Tell everybody don't underestimate your brand.

[00:54:20] It's worth the budget. It's worth the effort. It's a lot of work. Yeah, but When you start a company, yeah, you serve the non-brand wave for a bit, you might scale, but there's no secret hack, right? Also get good Google reviews or reviews from your customers, manage to get a big brand to be like, it's the buzzword like the person in mindset or whatsoever, yeah? Top of mind. Top of mind was the word exactly. So when somebody thinking of software for craftsmen, they have to think of hero. Do the merchandise correctly right? send it to everybody? so it's really really important. and Yeah, but hero had to go a long way to come to this conclusion or even now. Does this because the hero con was the first time this year?

[00:55:08] Never did it before but it was a huge success. We would do it again and we came from this. now it has to be it has to be a perfect time has to be good. So the lead gen must be cost efficient. So we have to close the deal as high as possible Measure every channel by payback time. Yeah, but to get to a certain plateau where it works and then suddenly it doesn't work anymore. It gets more expensive. Our biggest competitor has also now an investment round. Basically the same amount we did. What would be the impact? Most likely some keywords will be more expensive and we will fight for the attention of the craftsmen out there. So we'll get more expensive. So again, you must be the more trusted brand here. And if this comes from a head of performance marketing, it really means a lot.

[00:55:56] And I think also if you, especially if you did something for the first time in an industry, so every other company will be at max the second. So the hero con was first, even if the others will launch their own event, you probably have like a first mover advantage. And especially if you already had seven hundred people and you have all this, I think it's a great insight. Especially if we're talking about creatives also using the material you were able to produce on the event for like ads or organic content, etc. It's crazy Yeah, and even if you have like these very feature focused ads like okay do your invoices with hero Which is not very very sexy not very branded even the click rates might go up because people have seen you on other channels before and they know you from the hero coin.

[00:56:46] they know you from. I don't know. we even have a a specific role for PR. Or you would say, okay, PR for Craftsman. Well, are they really using it or is it really worth it? But yeah, you cannot really measure it like down to the last click in your performance ads. But I can tell you a good brand, a trusted brand and a happy customer base will have all your performance marketing channels, no matter what. So it's like daily optimization. There's no quick way, no shortcut. no magic trick. You do the operations, but try to also build up a brand team because that will help you great deal. Awesome. We already talked. I think, wow, I think it's almost an hour. Time has really flown. It was super insightful. I really enjoyed it a lot.

[00:57:39] And what I like to do to wrap up the conversation, what I like to do with basically all my guests is borrow their brain one last time to look into the future and to help me. And so it's a very selfish motivation I have here to anticipate the future better. So I'd like to ask you, how do you see the paid search landscape changing in the next, let's say three to five years? I would even argue that you can never look into the five year future because look at how AI is changing the world so fast. So I would even be happy to make a one year forecast. So I tell you what will not happen. Maybe let's start it this way. I think Google will not die because of chat GPT and all the other LLMs and so people will still use Google and Google has still a Lot of data a lot of reach a lot of market share and they know their revenue is at risk from paid ads.

[00:58:35] That's where I may make the most the most money But they are clever. they will. they will find ways. maybe you have ads and LLMs in the future or whatsoever. So I think the industry landscape or paid search will not change so much that you don't need it anymore. I think you will have to master AI tools in the future to actually know what your campaigns are doing. Because I feel like we spent ten years to get away from these broad-match keywords where every search term is in there and you want to do it like, no, narrow it down to exact and phrase match. And now you have these AI Max features in the PMAX campaign. which says again, let the AI do all the work, which means you give away all your control.

[00:59:19] So for the next three years, get familiar with the AI tools and try to understand what the AI of Google is doing. If you give them the landing page and they're scanning the landing page and create their own ad text of it, try to really monitor this closely. It's this in line with your brand. Is this in line with what you want to say? Does the AI interpret your landing page correctly? So I would say, give you one tip, spend a whole day per week with learning about tools and experimenting, but just reading about it on LinkedIn and not commenting to get the latest hack, but really install cursor and MCP server and NADN and try to figure out how it works. Nice. Makes a whole lot of sense. It was awesome, really insightful.

[01:00:12] I really enjoyed it. If people feel the same and they want to learn more about what you're doing with Hero or about experiments you're running, whatever, how can they follow you the best? On LinkedIn, I'd say. In contrast to the craftsman I am on LinkedIn, I would say a bit of... a passive consumer, I would say. I don't post that many stuff, but just like Searchpad, Winterfield on LinkedIn, and let's connect. Check out our website if you want to pursue a career in marketing or sales or engineering in a B to B SaaS company that is growing, actually. We went from one hundred to two hundred people in one year. So check out hero-software.de and connect on LinkedIn. That's it. Awesome. Yeah, thanks so much for doing that.

[01:01:04] I hope to speak soon and see you around here in Berlin. Until then, all the best and a lot of success with Hero. I think you're doing a great job and I really learned a lot today. Thanks. It's been a pleasure. Bye-bye. Speak soon.