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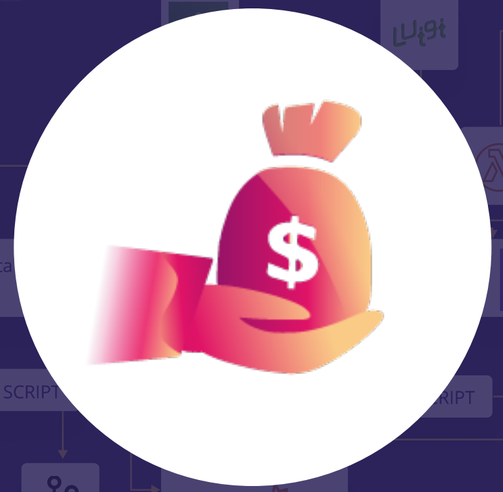
Build vs Buy

The cost of building your own marketing data pipeline



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When calculating the cost of building out API integrations for your own marketing data pipeline, it's important to consider not only the upfront investment in engineering resources.

But also the continued cost of maintenance, the opportunity cost of what your engineers were not building while busy with this project, and the lost ROI while your marketing team uses stale, or error-prone data to optimize campaigns.

It can be a complex math equation to understand the true cost of this endeavor, so let's break it down.

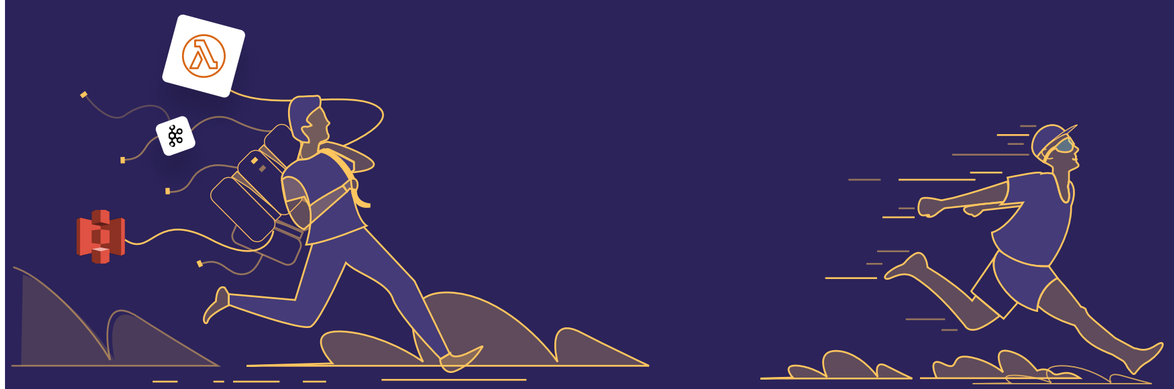
The upfront investment

The first thing to take into account is the **cost** of undertaking such a huge project and the **time** to completion.

Engineering time is not cheap and a company can rack up hundreds of thousands of dollars to build the required infrastructure, even before considering the ongoing cost of maintenance.

- For the average mid-sized company, each new data integration takes about **6.5 weeks** to implement.
- Add at least **another several week** on top of that to maintain the integration over the course of the year.
- As you're adding 6-8 new marketing tools/platforms/integrations on average each year and compound that across your website and mobile apps, you can see how it quickly adds up to a significant amount of time.

A project of this size and complexity will take months if not years to complete and uphold and in a fast-paced industry, this is enough time for your competitors to leave you in the dust.



Maintenance

Implementing and maintaining new API integrations is an enormous time suck and a problem that only *grows over time.*

The number of Martech companies has exploded from about 150 tools in 2011, to over 5,000 in 2017. This expansion means that marketers can expect to have to incorporate new tools and new data almost constantly.

If your marketing efforts extend beyond Google and Facebook, you will have to set up multiple APIs with all the different networks you run with and for any new networks you want to test in the future.

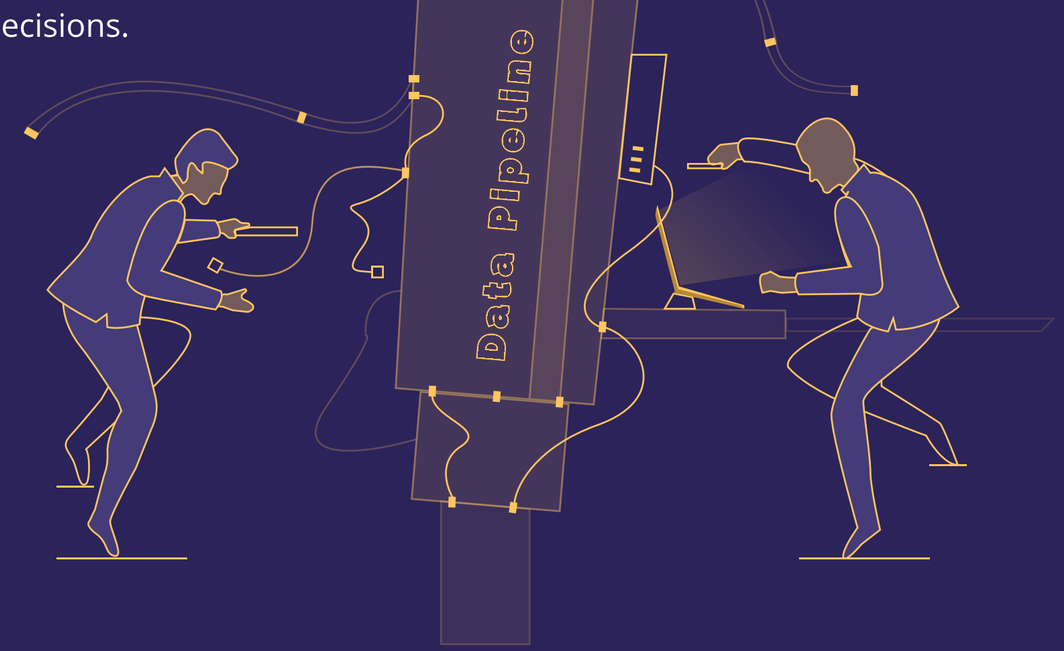
Each new tool can chew up a lot of engineering time– after all, there is no global standard in data storage types or programming languages used by marketing technology software. That means with each new API, your team needs to become acquainted with completely new tools.

At the bare minimum, a new tool (or even feature of an existing tool, like Hubspot) means an additional API that needs to be accessed, integrated, and normalized alongside previous marketing data.

As those APIs change and are updated over time, your team will need to keep up with that technical debt on an ongoing basis.

This upkeep can quickly turn into a full-time job when it comes to the influx of marketing data and change the industry is experiencing.

If these integrations are not properly maintained, it can be devastating to your business because you might not even realize the API is broken and not pulling all the vital data you need to make revenue impacting decisions.



Opportunity cost

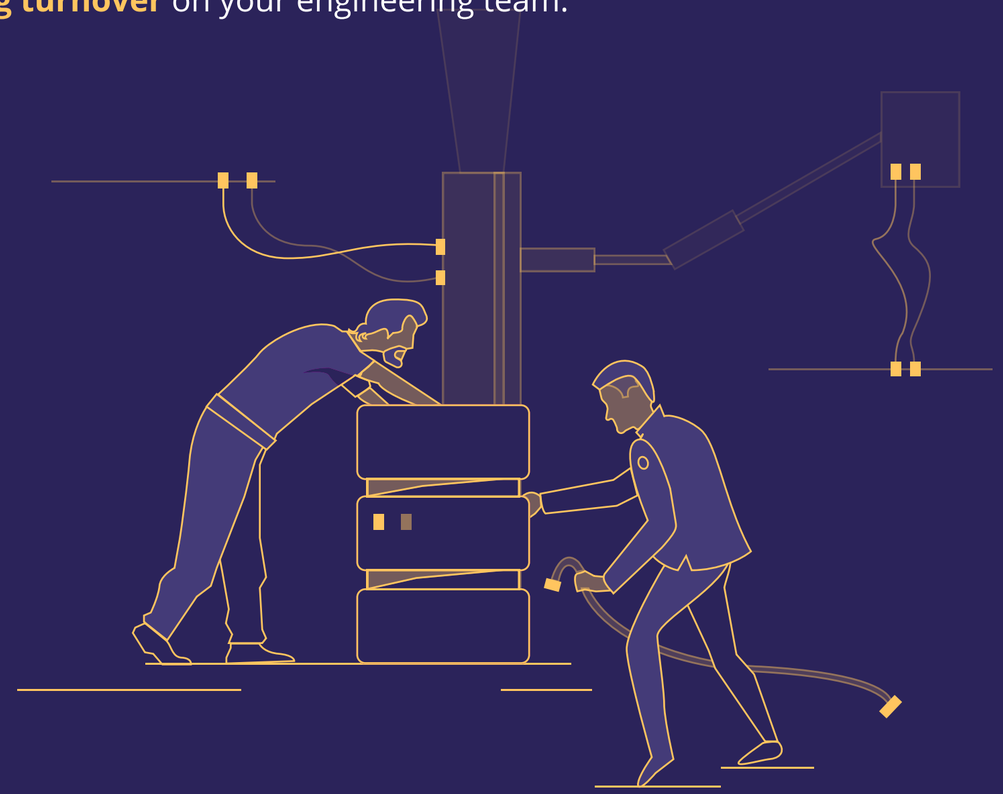
If you decide to go down the build route, you will be relying on precious resources and teams to make it happen.

Keep in mind, your resources are limited.

Your most valuable people and resources will be spending their time implementing new tools or navigating the nuances of maintaining data pipelines and that is time that could be spent doing far better things, like building your product.

Your valuable technical resources will be diverted from core product projects, which **impedes innovation** and the proprietary growth of your business — allowing even more breathing room for competitors to catch up.

Not to mention, your engineers would much rather be spending their time building new features for your product then maintaining a marketing data pipeline. It is not challenging or satisfying work for them. If you put them on this project, consider that you may be **negatively impacting employee happiness** and unintentionally **driving turnover** on your engineering team.



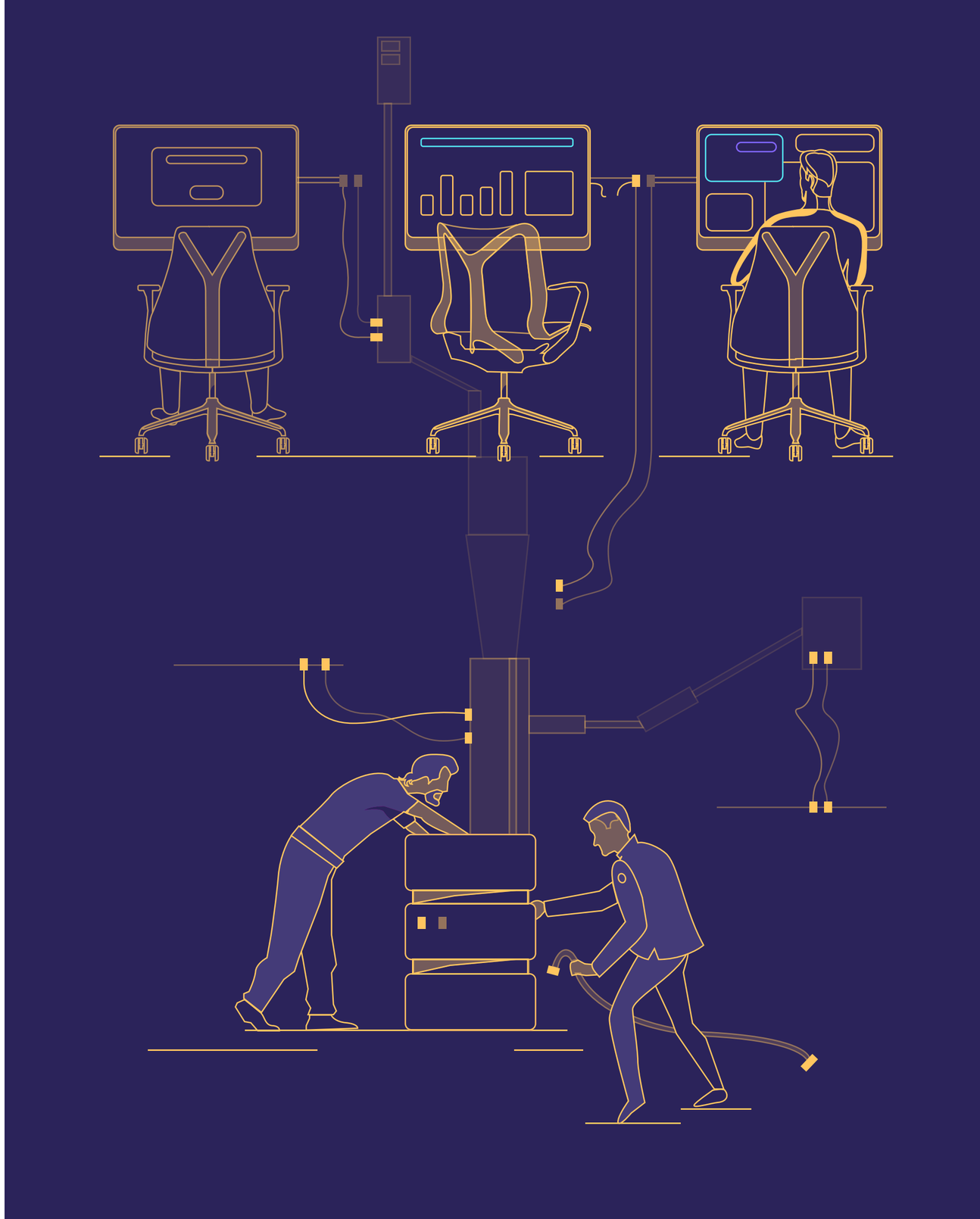
Impact on ROI

While your engineering team is at work building and maintaining your marketing data pipeline, your other teams are left waiting for the data they need to do their job.

Your marketing team can't optimize campaigns or make intelligent decisions on where to place spend since your data is still siloed. Your product growth team is suffering because they don't have access to the behavioral data they need to improve the product. Your analytics team can only pull insights that are limited and not in real-time.

As the project gets rolled out in pieces, there is a **lack of trust in the data**. While data is still partially siloed across the org, some teams tend to discredit it or just not use it all together. This tends to play out in two ways:

- Data inaccuracy creates a disjointed experience across your org
- Your go-to-market team just doesn't use the data to improve campaigns, customer experience or ROI



3 hidden risks when you build instead of buy

Our research and years of customer feedback has revealed that the above challenges - upfront investment, opportunity cost, impact on ROI, and the continuous and expensive maintenance of a self-built infrastructure - are what drive most enterprises (big and small) to turn to a third party to solve for this need.

However, the rare few who attempt to build an in-house solution, stumble upon these hidden roadblocks that really throw a wrench in this already costly endeavor.

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1 The Knowledge Gap

Beyond the investments of time and capital required to build an internal tool, the most unanticipated constraint is the requirement for your engineering team to have an* intimate familiarity with marketing data, programs and platforms*.

Marketing data requires marketing expertise to grasp.

Even if a developer learns the lexicon of marketing acronyms, understanding the nuances of marketing metrics –and how they need to connect– often requires a marketer's intimate knowledge of how their campaigns and platforms are set up.

For example, the "keyword" dimension needs to be consistent across every platform, including Paid Social, SEO, internal search, Paid Search, Display Advertising, and more. The interdependency of marketing systems across UTM parameters, pixels, and custom fields created in tools like Salesforce, on top of the evolving nature of marketing data, may not be immediately apparent to a developer coming from the product team. (Which is completely understandable.)

Even if all the above is accomplished so that data is flowing in and is accurate, which we've seen can be done, the issue of combining it with internal data sets poses a true challenge.

Filling in the gaps and delivering insights requires a complex infrastructure with strong identifiers in order to combine metrics and dimensions across platforms. This also introduces more points of failure, like event names being mismatched in your downstream tools so your data is disjointed.

Matching data sets together becomes even more challenging the more granular the data becomes. But having granular data is critical for making intricate optimizations and having the largest impact on ROI. Unfortunately, when you build a data pipeline in-house, this often means that "creative level" granularity, as well as the ROI from optimizing at this level, is beyond reach.

2 Human error

If you're going down the build route, **human error is inevitable**.

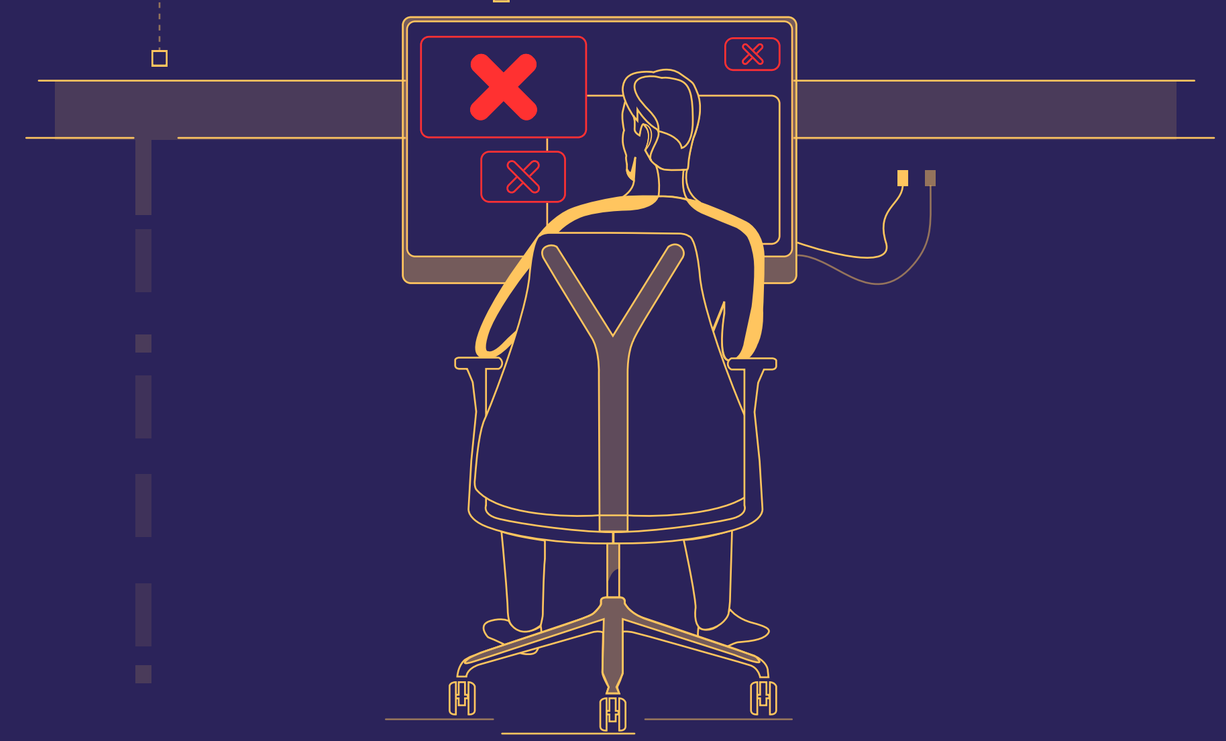
You're relying on your engineering team to build and maintain API integrations that are constantly in flux as well as master the intricacies of your marketing data, programs and platforms over time.

Once you have your APIs connected, additional work is required to create a framework for your BI system, make sure that your data is normalized and transformed in a way that matches up with that framework, and configure the internal dashboards to display the new data.

If you do decide to build your own in-house solution, you'll need to put in place time and resources for checking accuracy before you even start thinking about which data visualization platform you'll use to make sense of it all.

Without a dedicated quality assurance team, your marketing team is bound to lose trust in the data and stop using it all together.

This is a manual process that is prone to human error which can easily render datasets inaccurate and therefore unsuitable for optimization purposes.



3 Tribal knowledge

When you decide to build your own internal tools, your dev team will build **tribal knowledge** around this tool.

The most devastating problem here is if a key developer leaves your company. This can leave you with a non-working tool at the first sign of change in your data, post-exit – and a headache to try and fix.

If you're considering building in-house for all or part of your marketing analytics solution, keep in mind the team or individual that builds your tool will need to:

- Keep track of the costs and updates required in the software and libraries licensed and used
- Remain devoted to QA for months or years
- Be available for project-like updates of undetermined length on a daily or weekly basis
- Have marketing expertise

Why you should buy, not build, your marketing data pipeline

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Here at Improvado, we understand these challenges well — after all, we went through the pain of building it ourselves.

Our product is our bread and butter and we've gone far beyond the basics to build **a true marketing ETL platform** that frees up engineering time while giving marketers the data they need.

What you buy from Improvado is beyond the aggregation and standardization you'd expect to build yourself: you buy a world-class solution that is focused, around the clock, on continued innovation and automation, to give you unrivaled insights and optimization capabilities.

Our teams build and support integrations, improve infrastructure and monitor system performance, and constantly work to add new features.

Our data science team is devoted to spotting discrepancies, and our technical support team is working 24/7 to handle any data flow errors or API issues that arise, and our first-class customer success team is always available to makes sure the platform is serving your needs.

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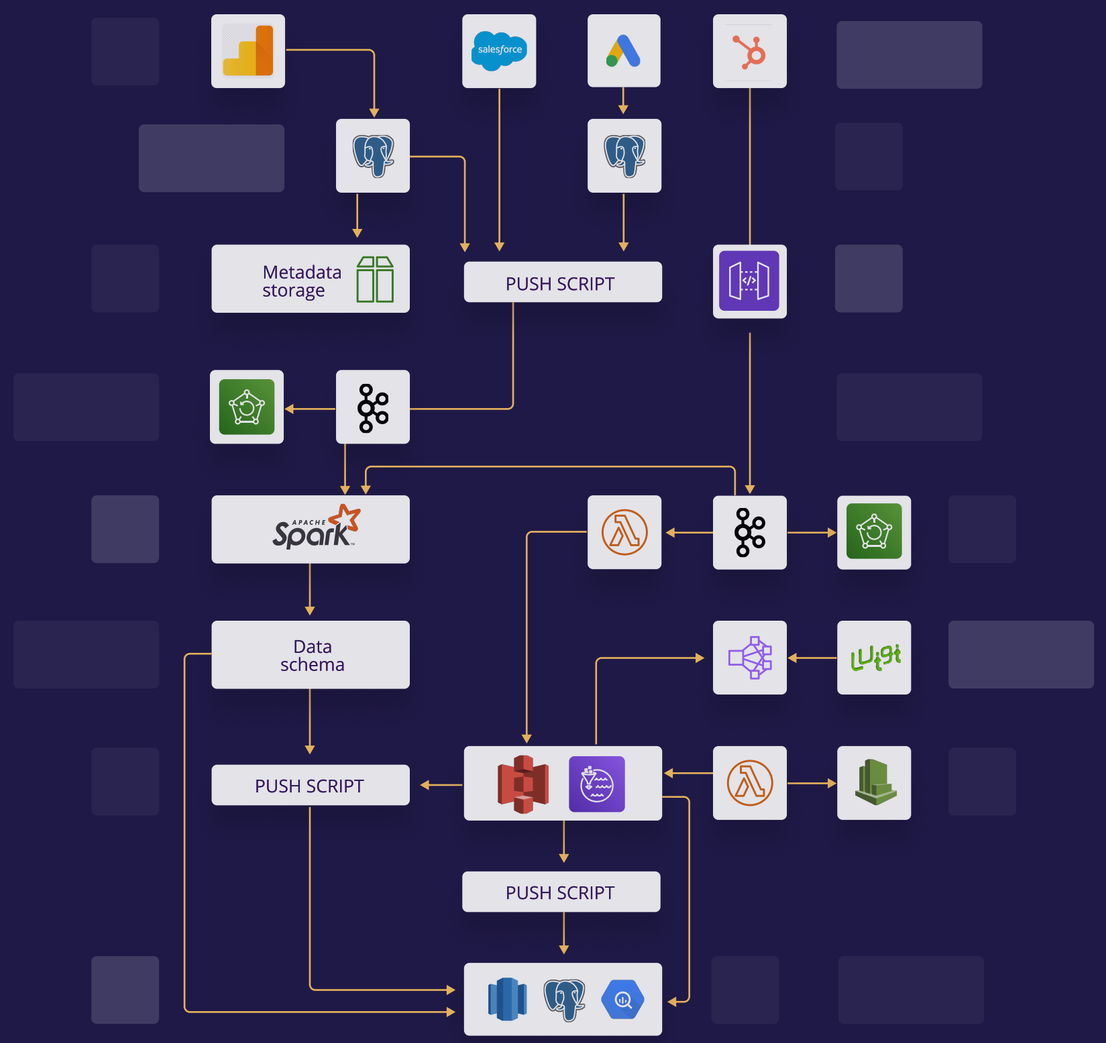
Build



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