ABSTRACT

In this transcript of the *Banner Ad Design* Web clinic (originally held on August 31, 2011), Dr. Flint McGlaughlin taught the three key objectives every banner ad must accomplish to drive maximum conversion.



Marketing Experiments.com







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Banner Ad Design

The 3 key banner objectives that drove a 285% lift

[Note: This document is a transcript of our original Web clinic on <u>banner ad design</u> that aired August 31, 2011.]

Dr. Flint McGlaughlin: All right, good afternoon. It is time yet again to go through a series of findings. This is going to be one of those clinics that is packed with information and yet, we have to have time to review your own submissions and to do live optimization of your banner ads. I want to say again that we are grateful for HubSpot and their participation in this.

HubSpot has provided the funding to make this clinic possible for you. We do a lot of research, but a clinic like this takes an enormous amount of preparation, and there is a whole team wrapped around the delivery of the technology to you today. So, if you are wanting to participate in the conversation on Twitter, you can use the #WebClinic, and I am going to be joined today by Spencer and Taylor. You can see their photographs there. Spencer is sitting in front of me. Taylor is right beside of him, and then, there is a table full of people around that are helping with support. I...I don't know Taylor, is this your first time on one of our clinics?

Taylor Kennedy: This is my first time.

Dr. Flint McGlaughlin: So, I have been harassing him right from the beginning from the moment I walked in the room, and the team is letting him know that he is getting initiated. He has done some fine work in our organization, and we are excited about what he's discovered, and he will be helping us as we look at the banner ads today, and Spencer is an old hand. He has been here before, and between Spencer and Taylor and myself, we are going to be looking at many of the submissions that you have. As always, we are going to go straight to a case study.



Case Study: Financial institution banner campaign



Experiment ID: Protected

Location: MarketingExperiments Research Library

Test Protocol Number: TP3025

Research Notes:

Background: A large financial services company sought to increase PDF downloads of a free guide to first-time homebuyers.

Goal: To increase number of completed PDF downloads

Primary research question: Which banner will generate the most PDF downloads?

Approach: A/B multifactor split test

Dr. Flint McGlaughlin: We are talking about banner ads, and if there is ever something that needs help right now in the Internet, it is banner ads. They are a...they are a black hole for many advertisers with diminishing returns and yet, we keep using them because we often don't have a better alternative. A --how do you communicate on somebody else's website about your offer if you don't have a banner ad? It would be wonderful if they'd insert us in the editorial, but that is pretty difficult to talk them into, and we still want to reach their audience. Still better, if we can get on their e-mail list, but with spam laws, we often can't get to them through e-mail. So, we are stuck with a banner ad, and the problem is the minute people see a banner, they...their guard goes up in the same way that your guard goes up when you feel someone is trying to interrupt you and talk you into something you may not want to do. It is a natural human response.

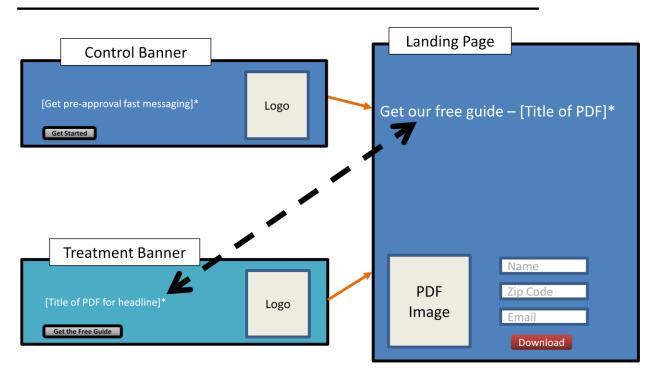
So, banner ads unlike say, an opt-in response are particularly challenged. What is more there are so many, and there are conflicting levels of the attention. There is rarely a sight with only a single banner ad, and even if there is a single banner ad, there are other elements on the page competing for attention. Trying to get the right person to actually see your ad and think about it and then engage is a great challenge. I would love the world to be a place where we didn't need banner ads. I didn't have to look at them. You didn't have to buy them, and we found a better way to let people know that we have a potential solution. Advertising is quite noble when you are helping people find the right solution, but the reality is most of the time, we can't tell whether it is the right solution or not. Often, it is not. Many



times, we are being deceived, and most of us even though we are marketers, have felt the frustration that comes with being hammered by somebody's offers.

How do we write banner ads that produce? How could we optimize the banners ads we have? I would like to take you through some of that, and let's begin with this case study. It is test protocol 3025. It is a large service company that has sought to increase PDF downloads. The goal is to increase the number of completed PDF downloads, and you are going to find this one interesting because we have scrubbed it. You are not going to see any beautiful graphics. What you are going to actually see is only the element you need to focus on to understand the significance of this very short example.

Experiment: Side-by-side



^{*}Copy has been heavily anonymized to protect research partner.

Dr. Flint McGlaughlin: So, here is a landing page, no text. All you need to know is that the headline is emphasizing the title of the PDF. It is actually a sub-header, and it is emphasizing it with a fairly strong visual appeal, and then, down below, you will see the PDF image and the download. Now, bear in mind, this is one of the larger companies in the world, and this is a significant offer for them, and this is a major way to generate leads, so they want to get it right.

Here are two approaches. In the first approach, it emphasizes that you can get pre-approval fast for the particular financial service, and so, knowing that people are concerned about A - being approved and B - having to go through an arduous process, they have touched a key point of anxiety, and they have tried to reach you with a message that might make it feel safe and easy for you to engage, and from that banner, they take you to this page that offers the free guide.



Now, I have a feeling that the ad I will show you next, the banner design that I will show you next, will not surprise you. In the treatment, we have the title of the PDF and the headline, and then, you go from the treatment banner, which is the banner that talks about the PDF download to the landing page, the same landing page that shows you the PDF image and the "get our free guide." Many of you are long-time students of Marketing Experiments or some of the MECLABS research groups like MarketingSherpa, and I will bet most of my audience knows which one of these banners is going to produce, and they likely know why.

Let's take a moment using your Q&A function to tell me what you think the answer is because we are not here to tell you the obvious. We have something more profound coming, and we will walk you through it, but we were setting up something. So, using Q&A, the question feature or you can use Twitter, talk to us, tell us. Someone is talking about the control, that is, Howard and someone says the treatment and someone says the control. I am actually surprised. I am actually surprised right now that there are...as many of you cheering for the control as the treatment. That is interesting. Now that may name either way on Twitter. I am looking at the Q&A function. I think most of the audience probably can identify the winning banner in advance. I am watching these come in, and we will study your responses, but how many of you would like to see the data set?

Let's go straight there now. So, there is the page, and here is the data, but notice the direct connection between the title of the headline and, of course, the landing page. Now, again, if you are an experienced advertiser and if you have heard our work before, and we talked about continuity and congruence, you will know that we advocate the connection between your channel, message, and your landing page message. That is not particularly profound. It used to be profound. It used to be something that when you said the audience was, you know, surprised, they didn't realize how important it was, but I think the Internet IQ is growing when it comes to marketing, and I think we know that.

What you may not understand and what was very important here is not just that there is a direct connection between the PDF and the treatment and the PDF on the landing page, but that the banner is trying to sell the product, and the landing page is trying to sell the product and especially the PDF. You say well, it is not being sold, it is free. Oh no, it costs. Everything costs. There is no such thing as a free offer because I am requiring something from you in exchange, and that might be your time that you are paying with it. It might be the risk of your privacy that you are paying with, but you are paying. You may not be paying dollars, but you are paying, and one of the things that we are going to learn before it is over with is, what should a banner actually be doing? Does it sell the product? In most cases, absolutely not. You will see more as this unfolds, but let's go to the data set.



Experiment: Results



285% Increase in Conversion

The Treatment generated 285.4% more PDF downloads

Versions	Impressions to Clicks	Rel. diff	Impressions to Downloads	Rel. diff	Stat. Conf
Control	6.9%*	-	0.067%*	-	-
Treatment	6.4%*	-7.2%	0.262%*	285%	



What you need to understand: By matching the banner messaging to the landing page, the treatment banner generated less clicks but 285% more total downloads.

Dr. Flint McGlaughlin: I would say without too much surprise, the treatment out-produced the control by a remarkable 285%. Now, what is a little bit more interesting is that the treatment banner, look at the clicks generated less clicks, but 285% more downloads. In fact, by reducing the clicks, we increased the downloads. Now that is because something was happening in the integrity of the message that allowed the wrong people not to click, which is good. It saves them time, and it saves you time, and it saves you money before it is done, but more of the right people clicked and more of the right people entered the landing page with an expectation that was met by the offer, they saw, and thus we see a remarkable difference in downloads.

Now hold on to that very simple test because the next one is important before I start to build the case. I will say to you that we are going to reveal a new heuristic like the conversion sequence if you are a fan or one of our students, C = 4m + 3v [etc.], a new heuristic, just for banner ads, and we are going to get much more technical than I am yet, but I am building a case, so bear with me if this all seems simple to you yet. For some of you, this is interesting and exciting. For some of you, you knew this before you started the day, but I promise there is information coming that you probably don't.



^{*} Numbers have been multiplied by a randomly selected constant to protect our research partner. However, relative difference has not changed.

Case Study #2: Car & Driver Buying Guide Test



Experiment ID: Car & Driver Buying Guide Test **Location:** MarketingExperiments Research Library

Test Protocol Number: TP3025

Research Notes:

Background: Popular automotive magazine, Car & Driver sought to increase the total visits to their Car Buying Guide.

Goal: To increase number Car Buying Guide visitors.

Primary research question: Which banner will generate the most Buying Guide visits

Approach: A/B multifactor split test

Dr. Flint McGlaughlin: Let me take you to another case study. This time we are not going to use wire frames. We are going to actually use the particular. This is Car & Driver, a large media group and controlled by a company in France. We did a research and study with them. The goal was to increase people engaging in the buying guide. The buying guide allowed more advertisers to engage the audience because it was one of the most popular parts of their site. So, they knew that if they could get more people into the buying guide, they could generate more revenue. I can tell you historically without telling too much about the background or information I shouldn't, they were in a position where they had more ad buys and they had traffic to deliver, and they were actually having to hand money back to advertisers because they couldn't get the page views.



Experiment #2: Control



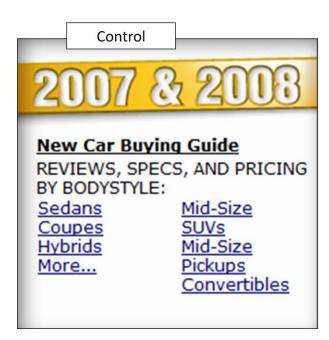
Dr. Flint McGlaughlin: So, we look at the page, analyze the metrics, and we see this. On your left, you should be seeing the actual page, and you will notice on the right-hand side of the page, and it has been blown up here very large, you will see the ad, "2007/2008 new car buying guide," and it is right there, and I need to get to notice it because I am going to show you the new ad in just a moment. What you are looking at right now is the control, and notice the treatment.

Experiment #2: Treatment



Dr. Flint McGlaughlin: Now, there is a slight change, but it is not as slight as you might think. Look at it carefully and notice the first point. I will go back. You will see that we changed the position of the ad on the page. The ad went from the right to the left. Position is important. We will talk about that in just a bit. Now, there is clearly a color change, but the ad looks remarkably similar.

Experiment #2: Side-by-side





Dr. Flint McGlaughlin: Let's look at the two of them side by side with one critical difference, and that is, we move them right to the first step, so that it feels like the ad is doing more than scream for your attention. It is actually serving you by helping you self-identify and work through a process. We have changed it from an ad to a utility, very important, and later, I would like to talk about how ads could become more useful, in fact, by changing many ads and so that they felt like, look like, and function like forms. We have seen dramatic increases in the response.



Experiment #2: Results



74% Increase in Buying Guide visits

The Treatment generated 74% more Buyer's Guide visits

Versions	Buying Guide Visits	Rel. diff	
Control	45,668	-	
Treatment	79,308	74%	



What you need to understand: By making very slight changes to the banner (color, case, layout, and position) and by increasing the participation factor, we were able to generate a dramatic lift.

Dr. Flint McGlaughlin: All I want you to notice is that with those changes, there was a 74% increase in visits. Look at that. Think of this as an advertiser from 45,000 visits to 79,000 visits, and there is almost no change in the ad except the little form-field box, a color, and the position on the page.



Online Ad Heuristic

$$ea = 2at + i + as$$
 $^{\circ}$

Wherein:

"ea" = effectiveness of the ad

"at" = attract attention

"i" = generate interest

"as" = ask for the click

Dr. Flint McGlaughlin: Now, thinking about that further leads me to a slide that I hope you can digest for a moment, ea = 2at + i + as. You may think to yourself uh oh, another heuristic, and you probably have one of two responses. The first one is, what are these people talking about? I am not a mathematician. I am a marketer, and I let the statisticians do that part. I just want to get more effective copy written, better web pages, better banners, more clickthroughs or you may be saying, well, wait a second. Aren't you stating the obvious by putting it in a heuristic form? Doesn't it suddenly take something that might be important, but make it just look more sexy and scientific?

And the answer is, no, these heuristics were developed from patterning 10,000 plus scenarios, and currently, we are doing a meta-analysis of all of our data, and I just want to make a single statement before I go on here. It is a crime the way people all over the Internet are claiming to do research without having any solid science, hardly any validity, and yet, they make strongly opinionated claims.

I am not satisfied with our level of science. If you would like to criticize our science, you will probably find that you are not criticizing as loudly as I am. Our whole team wants to improve the level of science that we generate here right now. We have the largest library of case studies. We have a largest library of experiments, but there is more isolation, more meta-theory analysis. There is more validity of threats we haven't identified. Now, I can go on down the list of the things I want to do better, but at least, may I suggest that when you look at a heuristic like this, it isn't something that is dreamed up in order to make the copy or the clinic sound sexy. This was developed years ago, and it has never been released in one of our clinics to the most, to my knowledge, we have never released it before, and this is a slightly refined version, and it was developed to solve a problem with one of our largest media companies in the world, and to simplify the approach, so that every key leader engaged on our side and on their side could get to a result fast. I can teach it to you right now. I can only teach it in brief. I would like four hours to work on it with you, but I have a few minutes because we have live optimization. So, let's think



about how an effective ad is the result of these three elements, and how in particular, the first element has a coefficient of two, meaning it is twice as important as the rest, and why.

How can I create an effective banner ad?



Key Principles

$$ea = 2at + i + as$$

- A. The goal of an effective banner ad is to get a qualified click.
- B. Therefore, following the online ad sequence, to get a qualified click a banner must powerfully accomplish 3 key objectives:
 - 1. Attract Attention (at)
 - 2. Generate Interest (i)
 - 3. Ask for the click (as)

Dr. Flint McGlaughlin: Let me begin by saying this. The goal of an effective ad is to get a qualified click. I am teaching now. You have been to many of these clinics. You see these key principle slides. Pay attention if you are...in fact, if you have one of our courses, that means you will probably see this on the test. Now, I would like to announce much to the relief of many online, there will be no test today, not on this clinic, but there will be a test when you go back to your office and you write your next bit of copy or design your next banner ad. That is the test we all live with on a daily basis, and the results are far more impactful than the score the teacher gives us. It is the score life gives us, and it impacts our career.

Let's look at the second point. 'Therefore', and Austin helped in the development of this, but I think Paul oversaw a lot of this, and he uses 'therefore' in a very scientific way. His summation, that is a critical word, so you better have a strong conclusion, Paul. Following the online ad sequence to get a qualified click, a banner must powerfully accomplish three key objectives.

The first one is to attract attention, and the second one is generate interest, and the third one is ask for the click, and you might say, well I...that seems self-evident. Well, let's break it down some more.



Objective #1: Attract Attention



Dr. Flint McGlaughlin: Let's talk about attracting attention, notice coefficient is 2. And ad can't accomplish the other two pieces unless it has attracted attention. Well, we have made the mistake in our thinking that the way to attract attention is to improve the offer. Sorry, the offers improvement occurs and only impacts the click after you have got my attention, and unless you get my attention, you are not going to get a great result because you write a better ad. So, we resort to another method. Instead, some of us decide we are going to make this ad stand out. We make it spin, jump, dance, sing. We slather it in colors or we make it so large, it dominates. Sometimes, right now, trying to read on a media side is, it is like trying to run an obstacle course because something spins in my face and blocks the whole page or some advertisers are doing everything they can to force you.

Now, I would like to point out in many cases, that is counterproductive. More people see it, but that doesn't necessarily translate into more people liking your brand. I am also not against that in every case, but beware, beware, beware. Less is more. There are five ways that you can control who sees what and in what order on your website, and you are to be able to control which ad they see first, second, third, and fourth, and do it without fancy technology. To do that, you have to understand these five elements are only important as relative differentials. If you put everything in the same position, if everything is the same size, if everything has...if there are colors everywhere, then none of them work unless you are doing them as a matter of emphasis, a relative emphasis.



In order to attract attention:

An ad must stand out relative to the particular page where it appears.

To do that, we use the following five relative differentials:

1. Size



Dr. Flint McGlaughlin: Here is the first... size. Notice here on the right, it is larger than all the other ads. It is getting attention. I am not saying it is a good ad. I am not saying it has worked. First of all, the best ads don't look like ads, and I would like to have a whole separate clinic on how to design a banner ad that doesn't serve and function like a banner ad. The problem is, many of you are putting these ads on somebody else's site, and so, they have to look like ads because they are not going to let you put anything in their site that looks like it is a part of their site.

So, you need the clinic we are giving you right now. However, and this won't be a part of the day, if you are putting ads on your own site, and they look like this, you have made a big mistake. Now, you say well, don't you guys do it? Yeah, we do a lot of things. We are trying to do better, but the difference is like at MarketingSherpa, but just by the way, not a site for you to review as best in class. If you knew all the testing that was going on, all the designs are being done, and the complete re-build and redevelopment of the core that is taking place, you would understand that we wouldn't recommend it yet, but soon, we released a new set of sites about six months ago, and we actually had you optimize it for us.

Some of you probably were on those clinics. We got your feedback, and together, we optimized a site that is a high performance site. We will do the same in Sherpa before we are done. We will have you help optimize it, but for now, what I want you to do is to understand that even if you have an ad like that on your site, you should be mentioning the offer in your editorial, in the center pane, in the dialogue, and you shouldn't rely on the ad only, and candidly, it is far more effective in your editorial than it is in a banner ad, but if it is a banner ad, then it is competing, and it is competing against not only with the other ads, but a bias. Please hear me on this. There is a bias against every banner ad anybody ever produces. So, you have to overcome the bias as well as the competing or the competition for attention.



In order to attract attention:

An ad must stand out relative to the particular page where it appears.

To do that, we use the following five relative differentials:

- 1. Size
- 2. Shape



Dr. Flint McGlaughlin: Size is one way to do that. Another way to do that is shape. In this case, changing this particular shape to a circle, an oval, there is a shape on the ad, the cloud shape, but even the shape of the ad itself can help achieve attention.

In order to attract attention:

An ad must stand out relative to the particular page where it appears.

To do that, we use the following five relative differentials:

- 1. Size
- 2. Shape
- 3. Color



Dr. Flint McGlaughlin: Color, on a page with a little bit of color, some color will grab attention. That is not always positive, but at least, it grabs attention. I mean, there are some ugly colors that will get everybody's attention, but they won't like your message because they will translate their distaste for the color to you. Remember something, people don't buy from banner ads and people don't buy from websites. People buy from people, and they are making a judgment about you when they make a judgment about your banner ad.



In order to attract attention:

An ad must stand out relative to the particular page where it appears.

To do that, we use the following five relative differentials:

- 1. Size
- 2. Shape
- 3. Color
- 4. Motion



Dr. Flint McGlaughlin: Motion, oh you guys are all good at this. If ever there was a crime universally committed across the Internet, it is the infamous Flash panel at the top that allows you to start to read before it changes, before you have read the message, and somehow assumes that you start reading the message right at the beginning of the multi-second time limit. It never allows for the fact that you first of all absorb the page, try to understand where you are at, then you flash up the re-boots at the top. Before you are done, it is changed on you. You can't read it. Now you are trying to find a place to click, so you can see what you were seeing in, and it is moving ahead, and all you are doing is increasing frustration or anxiety or friction and damaging your conversion rate, but motion can work. I just want to say it has been abused badly.

In order to attract attention:

An ad must stand out relative to the particular page where it appears.

To do that, we use the following five relative differentials:

- 1. Size
- 2. Shape
- 3. Color
- 4. Motion
- 5. Position



Dr. Flint McGlaughlin: And position, position on the page

{Banner ad plays flash movement}



determines...the one reporting out right now is in a very poor position and will hardly be seen where it is at, but each of these are factors. Size, shape, color, motion, and position, but it is critical for you to understand that 'if you emphasize everything, you emphasize nothing'.

In order to attract attention:

An ad must stand out relative to the particular page where it appears.

To do that, we use the following five relative differentials:

- 1. Size
- 2. Shape
- 3. Color
- 4. Motion
- 5. Position



[Note: If you emphasize everything, you emphasize nothing]

Dr. Flint McGlaughlin: I really like that statement, and I didn't think of it. Dan, one of our editors said it to me the other day at a meeting, and I immediately wrote it down. This is the only time I will admit in public I didn't think of it. From now on, I would like you to spread the word that was actually...Dan is in the room, and he is laughing in the back at me now. I would like to take credit for, but it is not mine, but it really well said. 'If you emphasize everything, you emphasize nothing'.

So, if everything is big, if everything has...if you have lots of different shapes, if you have lots of different colors, none of what I have said to you will work. It is the relative differential that controls this. Now, just take a moment, look at any web page you are producing with banner ads on it. It might be on somebody else's site. It might be on yours. If you had to, if you could, I would love for you after this clinic to print the web page and ask yourself what gets my attention first, second, third, and fourth. We can take a heat map over here and look at somebody's eye movement and determine immediately where the eye path is, but candidly, almost any senior optimizer in our group doesn't need a heat map. We can look at a page and immediately tell you that the eyes either have a path, and here is what is it or the eyes don't have a path because it becomes very easy to determine the eye path once you understand how to look at a page through these critical five features.

So, the question is, how do we get more attention with our ad? And the answer is, you need to look at the competition for attention, and if this ad is ranked number one in your priorities, you need to use one of these five elements to emphasize it over the others. We can talk a lot more about that, and I would love to teach you to exercise this, work with you, but we do that in our training. Right now, I got to take you to the next piece, interest.



Objective #2: Generate Interest



Dr. Flint McGlaughlin: Now, if you were to stay in public speaking 40 years ago, they would use a phrase, the attention-getter, and then, they would use another phrase, the interest-builder. My father was a scholar and a speaker, and I remember asking him as a child because he was training me to recognize a problem and things like that and we are still best friends. He is almost 80 years old, and I was gone for two weeks. I had been in the Florida Keys, and I flew my dad down to meet me, and he got out of the boat and was diving with me. We were free diving, and I was just remembering, you know, so much of what has happened in my life, goes all the way back to those early things that he taught me.

And I remember back then him sharing with me, he said, son, once you have their attention, you don't stop. Now, you have got to convert attention into interest. Attention is momentary. Interest is prolonged and often progressive. Any good screenplay writer understands this. Any good novel writer understands this, and good marketers need to understand that the ad has to move from attention. I will tell you why this is critical because agencies focus so much of their attention on your ad getting attention that they don't know how to transfer from attention to interest. It gets seen. It even gets laughed at or pointed out. It might even be viral, but it doesn't really build interest in the offer, and it doesn't really convert to sales.

Winning an award in the agency game doesn't guarantee that anybody wrote a good ad. In fact, it is often a guarantee that it wasn't a good ad. Sorry to say, and I don't mean that critically. The agencies are a third of our audience. Today, probably our agencies, we work with them every day, and we are in your corner, but we all need to be self-critical in order to improve what we are doing, and you probably are nodding your head yourself because you have seen it all around you.

You probably even wouldn't be on this call if you weren't a different kind of agency, but let me keep going and teach. Each ad must answer a question. Now, this is where I am going to have the hardest time controlling my time because I am in the middle of a book that is being written by a team of us on value proposition, and we think the whole term has been misunderstood. We have built a historical time line of the first reference of the word all the way around its uses, its alternate terms. We have done a full-scale literature review, and then we have done a meta-analysis or in a meta-analysis of our own research database, and how we use the phrase, and so, there is so much science that I can't touch right now when I point out to you this simple key.



To generate interest:

A banner ad must have its own value proposition.

Therefore each ad must answer the question, "If I am the ideal customer, why should I click on this ad rather than take another action?"

You can measure the level of interest for a banner ad in the same way you would measure the force of a value proposition:

- Appeal
- Exclusivity
- Credibility
- Clarity

Dr. Flint McGlaughlin: Every single person has to ask the question, A - about their company and then B about the given offer, and that is this. If I am the ideal customer, why should I purchase from you rather than any of your competitors? Now that principle flows to every single action you ask someone to take on your site. Every action flows from what we call the derivative value proposition. So, the banner ad designer must ask this question. If I am the ideal customer, now the if I am is one of the most important parts of this whole phrase because you have got to get out of your marketing mindset, out of your boss' priorities, and your company's deadlines, and your family's needs, and into the mindset of the person who is going to see the banner ads. So, you have to use the "if I am." Without the "if I am," you can't develop a proper value proposition.

If I am the ideal customer, so put yourself back into the shoes of the person seeing this ad for the first time. Why should I click? And whenever you are asking why should I click, you must recognize that you are not doing this in an environment where it is zero sum or a negative void, and all they are doing is choosing to click on your ad or not. What they are doing is to choose to click on your ad or to click on someone else's ad. You must assume or click on another link or click somewhere else, but the bottom line is you are competing.

Because of this, probably, the greatest travesty in this whole presentation today is that you have got four words written at the bottom of the screen that are absolutely vital to understanding how to measure the force of your ad's impact, and the problem is because they are simply four words on the



bottom of the screen, you might think they are nice bullet points and not recognized, but each one of them come from a highly-developed science formula that has been measured and drive so much performance. They are vital, every value proposition, and its force rotates around four keys. The appeal of the offer, not the product, the offer in the ad, the exclusivity - who else is offering this? If you offer me a free comparison chart, and there are six other ads that offer me a free comparison chart, then the force of the offer is diminished. The force of your value proposition is diminished.

The credibility, particularly during the banner ad, it has to be instantly credible, and the clarity. Do you know something? Clarity might look like a footnote, but the number one problem we have is we create ads, and we create landing pages with an enormous lack of clarity, and clarity keeps the people from being able to even comprehend the appeal, to measure the exclusivity or to even care about the credibility. First, they got to know what you are saying, and we are terrible at it.

I was here this morning. I have a friend. I wouldn't want to hurt him in any way. He is a famous celebrity, and I won't tell you his name, but most of you on the phone would know him if I recognized him. My wife was with his wife, and they had breakfast that lasted for three hours while they worked on all kinds of things, which is typical with my wife. I have never had a three-hour breakfast in my life, but she had a three-hour breakfast, and I rushed from my office home for a quick lunch, and when I got there, she set down a box of energy drinks on the table, and she opened up the energy drinks, and she showed it to me, and she said, so, here take these and use some of them, she said, and I won't tell you the woman's name because you might know the husband from her name. She is well known as well, and I shook my head. She said, what is wrong? I said because I have...I am going to call this guy Jim. That is not his name. I said, because every time I talk to Jim, he is launching some new sub-product line, some new business, and he still doesn't understand the foundation of a value proposition. My wife said, what do you mean? I said, there are energy drinks galore. Why would I buy his energy drink over anybody else's energy drink? And my wife was nodding her head and thinking about it, and I picked up a bottle and looked at it and said, what does that say? And what it had done is the agency that built the label built such as sexy, magnificent-looking, artsy label, I couldn't read it.

I asked my wife I covered the box and held the bottle and said, what is the name of the product? If you buy it once, well, how you buy it a second time? You don't even know what it says. They don't have a value proposition, but they don't even have clarity, and I have seen a whole series of these kinds of mistakes made by people who don't understand how important the point is we are making right now. Your banner ad has to have clarity, credibility, exclusivity, and appeal, and those four things help build interest.

Now, you may be there saying okay, I am getting the theory. What does it look like in practice? Well, let me have you help me.





Poll: Measure the interest

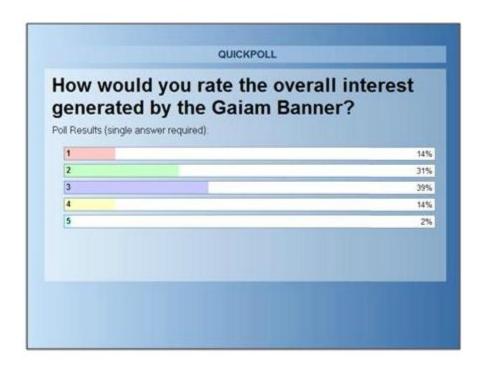


On a scale of 1 to 5, how would you rate the overall interest generated by the banner?

- Appeal
- Exclusivity
- Credibility
- Clarity

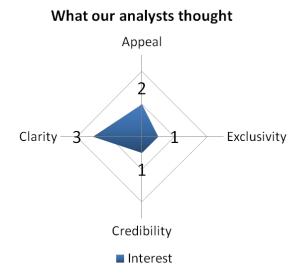
Dr. Flint McGlaughlin: Here is an ad, and I would like you to rank it. Overall, on its effectiveness, thinking about these four points on a scale of one to five. We are doing a poll right now, so vote, and we will share with you how the audience...now, this is an ad submitted by our audience, and so, we are trying to help somebody who is here on the call today, and we are also trying to communicate to you a transferable principle that will apply to everybody else who might not be having their ad reviewed. Interesting. I think we will shut the poll now. Okay, so, if you can see, we have given it a three, overall it is a team of marketers out of a five.





Dr. Flint McGlaughlin: Now, let's take some more analysts. I have got Spencer and Taylor with me, and we are going to show you a brief analysis of the ads and comments on it. So, I think I need to as soon as that poll is shut down. All right, the poll is closed, and I have control back. I would like you to see how we rank it with the caveat about the clarity and some quick thoughts. There is a simple diagram up that explains a lot of what Spencer is going to say. Go ahead, Spencer.





Spencer Whiting: Yeah, the caveat around the clarity is that I actually know this company, so I know what they are selling. So, when we were talking about it shortly before Flint said, you know, clarity is...first question is, what are they selling? I think from the other parts, the appeal to me is that it is a nice-looking picture. It is a well laid out advertisement, but as far as exclusivity and credibility,



exclusivity everybody is giving \$20 off on orders over \$100, and the credibility is there is really not much that supports it. So, that was kind of our...my assessment of this ad.

Flint McGlaughlin: All right, so you can see that Spencer is generous. He is kind of like Paula Abdul on American Idol.

Spencer Whiting: Yeah, that's it.

Flint McGlaughlin: I think that it probably appears on their own page, which means there might be come clarity, but if it is appearing on their own page, what you have on a banner ad should have actually been in a headline and should be emphasized properly. I think the appeal is minimal. The exclusivity is debatable. I mean, you could say it is exclusive because it is to this product only, but if they have a strong competitor in any categories offering anything similar, then that is washed out.

The credibility is reasonable because let's assume you know the brand. Let's assume, let's be generous and say you know the brand. This is better than average, and it is still poor. Let's keep learning.





On a scale of 1 to 5, how would you rate the overall interest generated by the banner?

- Appeal
- Exclusivity
- Credibility
- Clarity

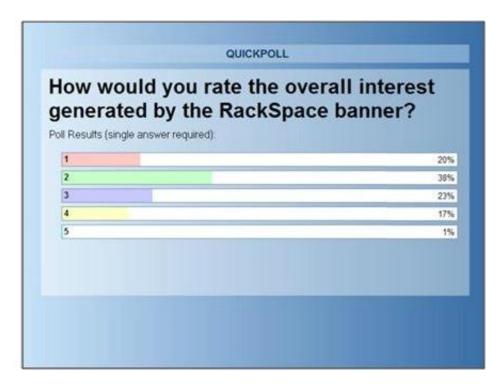
Dr. Flint McGlaughlin: All right, audience tell us about this one, one to five? One to five, rank this one. I am going to get your poll. We will let you see how you do. Let's see how the audience is, and I think we are going to have Taylor talk to us. Taylor, are you next?

Taylor Kennedy: Yeah.

Dr. Flint McGlaughlin: All right, so standby. We will let the audience vote. Wow, we are getting validity. There is a strong winner. We will be posting that pretty soon. Whenever you guys think we have got enough validity, let's go. This is a very large focus group by the way. The marketer who submitted this is on the clinic. It is pretty hard to get this many qualified marketers looking, and the only thing I would say is your demographic is skewed because you got a bunch of professionals looking, but

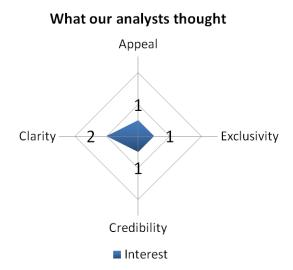


also many of them represent your target audience knowing the product. All right, good. Let's close the poll.



Dr. Flint McGlaughlin: You can see that 38% rank this as a two, with 23% being generous enough to give it a three. Let's talk about it, and Taylor, talk to us.





Taylor Kennedy: All right, great Flint. It looks like our audience is pretty keyed in on this ad. You know, we ranked it around between one and a two. We got a two for clarity here, but a one in appeal, exclusivity, and credibility. You know, we have got hundreds of enterprises trust Rackspace to solve complex IT challenges. Really, you want to ask yourself what sort of IT challenges, what sort of enterprises? You know, we don't really have much credibility there in the...of the enterprises, and



really, it is trying to sell this guide here, this free re-consideration for the cloud, and find out why download, and the headline could actually be used to sell the download versus the actual comment.

Dr. Flint McGlaughlin: Okay, I want to stop. Taylor, just put his finger on it, okay? We are selling two things, and look, we have only got four or five lines. We can't sell two things in five lines. We need to be emphasizing the download and be assuming that our audience is familiar with Rackspace. It is a well-known brand in the space and focus instead on this. Why would I want to read? I am busy anyway, and why would I want to read something called consideration for the cloud?

First of all, that sounds like something I have learned in an ashram over in India, and secondly, I have no idea if what I am reading is 11 pages, 24 pages, 76 pages. I have no idea what I'll get from reading this case, and indeed, cloudy is a better word for it, and I mean this graciously to the Rackspace people, and we have even used you ourselves. So, we don't mean be too harsh, but it is cloudy, it is cloudy because you are trying to do two things in one ad, and the main thing you are after is a download, but you spend more of the headline talking about hundreds of enterprises.

Don't tell me about that. Tell me about the cloud book. Why would I read this book rather than any other download? Why would I read this rather than a wonderful MarketingExperiments report, for instance? And I am teasing, but I need way more about this guide to make this appealing, and candidly, there is a bigger question. Is this ad appearing on the Rackspace page? If it is, don't sell it with an ad. Make this a part of the editorial. Make the book graphic, the main graphic, not the square box, and explain what you can get in the download with it, and make it very appealing, and if it is appearing on other people's websites, then you need to ask yourself what is the goal of this ad? It is not to get the download unless you are going to get a download straight from their website.

The goal then would be to get a click to a landing page where you could adequately measure it. All right, good. I have been told, by the way, this is one of the most complex notes I have even been given. Paul ran up to me, and we are in a studio, and it looks to me like he is wearing his bathing suit or something. I think he is in his board shorts, but he ran up to me because he was behind this big barrier, and I didn't know that he had such muscular legs. Paul said, say, one is bad, five is good. So audience, one is bad, five is good. We may be getting skewed results for those of you that don't know which. Apparently, those are questions coming in. Taylor, was there anything else you are going to say?

Taylor Kennedy: No, that is it.



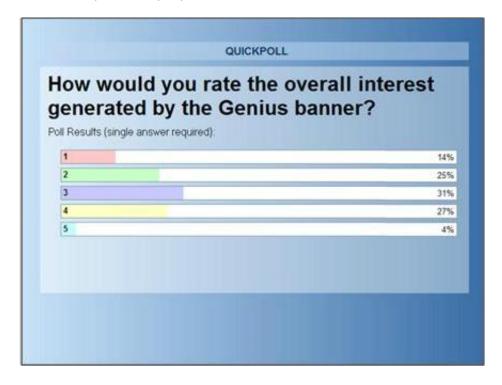




On a scale of 1 to 5, how would you rate the overall interest generated by the banner?

- Appeal
- Exclusivity
- Credibility
- Clarity

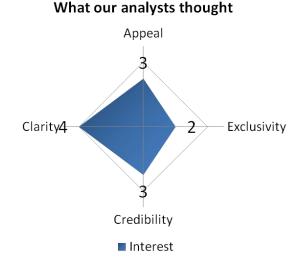
Dr. Flint McGlaughlin: Okay, so I am moving on to the genius project. We are measuring this ad across four criteria and give me your vote. Give me your vote. Here we go. Wow, it is interesting watching, right at the beginning, talk about validity. It is like an instant Bell curve. By far, the audience initially ranked it as four, and as time passes, it goes down and down and down. What does that tell me? The people who liked it were quick. The people who took time to reflect, I don't know what that means.



Dr. Flint McGlaughlin: All right, but let's close the poll out and tell you that 31% of you ranked it as a three, 27% is a four. On a scale of one to five, project management software tailored to your needs product tour. All right, that is the ad, and let's get the comments. Is it Spencer? Go ahead, Spencer.







Spencer Whiting: Okay, so I really like this ad a lot when it came in because it had a lot of interesting, just the layout, and what is going on. I wanted to know what was is going on, and as far as the clarity, it talks about the project management software tailored to your needs, so that makes it a little more exclusive, and then, it gives me a product tour. So, that is going to give me everything that I need. Now the question from credibility is I have never heard of the genius project, but I think just the name of it, kind of, tells me in my thought that there is some validity to that credibility. So, I thought the ad was good, but then again, I'm Paula, so I'll let Simon make some comments.

Dr. Flint McGlaughlin: Well, I want to say this. I would like you to keep this ad in mind when I teach the final part here. A very important part of designing an ad is understanding where people are in the buying process, and at what stage they are in. This ad is potentially powerful for people who have heard of genius project and are interested in learning more. It is very limited for someone who is earlier in the cycle, and let's talk about that as we talk about an ad.

Objective #3: Ask for the click



Dr. Flint McGlaughlin: So, here we have 2at + i - as or I am sorry + as, and we are on the final piece, and that is the ask. We all know about a call to action, but I want to talk to you about the ask, and tell you some things that are critical.



To ask for the click:

We must match the ask to the motivations of our ideal viewer.

To do that, we must determine the following attributes of our ask:

- 1. The category of the ask
 - a. Implied
 - b. Direct
- 2. The incremental decision level of the viewer
- 3. The tone of the ask
- 4. The level of authentic urgency

Dr. Flint McGlaughlin: We have to match the ask to the motivation of the ideal visitor, viewer, prospect. To do that, we must determine the following attributes, and this is where we want to say some things that are important, but they are already on the screen in a simple outline.

The first one is the category of the ask. Is this an implied ask or do you directly say order now or learn more. There is a difference between being very direct and implying it. Just make sure that the ask is clear. Lots of fancy, beautiful designed artsy ads are clear in the ask, and you say well, every ad wants a click. Yes, but we are not clear what we get in exchange for the click. We are not clear what is being promised, and what we are asking you to do. All you are asking me to engage three minutes in a download? It would be helpful by the way if there is a download like we saw on the Rackspace one in the ad that it tells me it is a 45-second download or a 16-second download. It makes it easier for me to know in the ask what I am getting, but the second is the incremental decision level of the prospect.

The incremental decision level is very important. You need to say in the sales process, there is a series of decision steps that lead to someone being ready to purchase. Where is the prospect that I am trying to reach with this ad in that continuum because if my message is premature, then they won't be ready, and they won't engage, and if it is not mature enough, then it won't be appealing because they are looking for more.

When we offered a product tour in the previous ad, that would be for someone who knows enough to be willing to invest their time in a product tour, but if someone has not learned enough already, then the product tour is not doing the job. So, you need to keep identifying the incremental decision level and the process they are at. Where they are in that continuum? It is a very important piece, and frankly, I can teach for an hour on this because most of our ads are not designed to engage them at the



right point in their decision process, in the decision continuum, and we are leaving money on the table. We are leaking revenue.

Next thing is the tone of the ask. There are a number of ways to ask, and we have discovered that the old direct response way is the most dominant. Register now or you know, act now while supplies last. Be very careful with that. All you are doing is copying the messaging from before in a different era. We are with the post modern consumer, and he is not a...he is not a...we are not hurting sheep here, but most of our audience, we can do better if we would give them more credit and recognize that without you putting three apostrophes on the end, we understand what urgency is about.

Determine who your audience is, what tone of voice you should ask in, and make certain if that is complimented by the level of decision you are asking them to take in this ad, back to point two, the incremental decision level, and then, the fourth key is, do you embed with this ask an urgency factor? But it must be an authentic urgency factor. Don't tell me that it is while supplies last when the reality is, you are going to keep supplying. Don't tell me that you have to act before March 4th unless it is really going to be over by March 4th. If there is a deadline, make it real. If there is a statement or a reason that justifies the urgency, make it honest, but if you have got honest urgency, you are going to be getting more response.

These four factors, the category of the ask, the incremental decision level, the tone of the ask, and the level of authentic urgency impact that final key, how you structure the ask in your design.







Dr. Flint McGlaughlin: All of that leads us to an example of Not this, and I think the ask here might be browse. Not real sure, it is...I suppose the whole ad is clickable, but without putting the button, we just didn't experiment.

Now, most of us know if it is a square banner, you click anywhere around the banner, and you are going forward, but we just saw a dramatic increase for a major financial institution by putting a button on the banner. That made it very apparent that this is what you do now, click here. But this, this is a little bit better. The ask is a little bit better.







Dr. Flint McGlaughlin: Not this, here is an ad. It is animated. They have got motion. Never mind the ugly color. Never mind that it screams the entire time you are looking. Never mind that you have to watch it for a long time before you get the message. Just consider the fact that even once you have watched the whole message, you don't know what to do.

To this, now this ad on the right shows...clearly, we could optimize this way better, but let's just look at this to learn from it. I see a picture of what I am getting, and because it is in a set of hands, I can actually get a sense of the size, and I can imagine it. Never promise a download or any other incentive that you don't help the audience visualize or imagine. Secondly, in the cover and in the key content of the cover, there is appeal already built for somebody in this space, and it is a well-known brand, and then, here it says, get everything you need to know about antiques right in the palm of your hand.

That is also quite helpful in understanding what the offer is, but these people have identified that at this stage, the person may not be ready to buy the book. They may want more info. That is the difference between saying a button But It Now. You know, Get Your Copy and instead Learn More. I think without knowing because I see this is the first time I have ever seen this ad that from here, they would take you to a really powerful landing page, not a catalog with a whole bunch of books, but a landing page just for this book that explains it. It gives a copy of the Table of Contents, and helps you understand what you will be getting from it, and have strong testimonials built into it, and might even be long form.

Once I tested long form, by the way, just so you would know, then I'd test short form and say, they are already convinced enough. They don't need the long form, and I would see which produced the highest yield, long form or short form? But I would actually start with long form and take stuff away rather than start with short form and add.



Summary: Putting it all together

Key Principles

ea = 2at + i + as

- A. The goal of an effective banner ad is to get a qualified click.
- B. Therefore, following the online ad sequence, to get a qualified click a banner must powerfully accomplish 3 key objectives:
 - 1. Attract Attention (at)
 - 2. Generate Interest (i)
 - 3. Ask for the click (as)

Dr. Flint McGlaughlin: All right, so if that is helpful for you, please let me know because this is a summary of the key principles, and we are moving right into live optimization. We have been doing it throughout, but we are going to just go from case study to case study to case study or from submission to submission.

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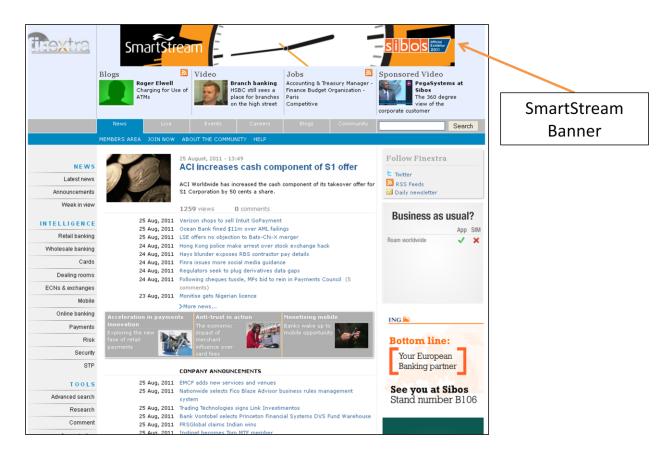




Dr. Flint McGlaughlin: Let me move on, and again, remind you, and I have to do this housekeeping as I move into the live op. It is only fair to thank HubSpot again for making all of this possible for you, and we are grateful for their engagement and for their support, and with that, I would like to move to the optimization.



Live Optimization: Submission #1



Dr. Flint McGlaughlin: So, here is a page that has been submitted. This is SmartStream. See the banner up at the top? We are looking at that particular banner. There is no better time. You can see it right now, flexibility, efficiency control, pre-book a meeting, etc. Let me let you as the audience real quick go to your Q&A function and give me a critique of this. What do you think you do to make this ad better?

All right, I am listening. What do they do? What is the offering? Where is the button? Add a call to action. There isn't enough clarity. Not sure what I am looking at. Increase the clarity, increase the clarity, add a button. Increase the clarity, add a button. Where is the CTA? That is simply the same thing. It is too busy. This is the audience telling us, and I think you are bang on, but let me shift over to...is it Spencer? Spencer, give us your thoughts.

Spencer Whiting: Well, this...their goal here is to drive visitors to an online demo, and they are looking for their primary audience as the operations managers of banks, which isn't very apparent by this. Obviously, the Flash spanner is attracting a lot of attention. The difficulty for me is that the clock has a lot of time in there, and it doesn't add to the sales. SIBOS, obviously, this website is related to that. It was a part of the conference you are looking at, but what they are trying to do is get people to sign up for meetings at the SIBOS conference, and it is very, very quick. It doesn't allow for that building



interest. It actually is very frustrating trying to watch it and see what is going on. So, I would stretch it out, make the appeal, and the call to action stable, so you can see it for a long time, and then, go from there, and I know that you need to make it a clickable banner also.

Dr. Flint McGlaughlin: Can I just comment, and I mean this graciously, and it is submitted by Nathan, and Nathan, please don't be upset when I say this, but really, it is a very, very bad ad, and I think Spencer is saying that graciously. We can learn from it, okay, because first of all, there is absolutely no clarity. I don't know what you are asking me to do, and I have to watch too long in order to get clarity. Because I don't know what you are asking me to do, we can't have appeal, and credibility hardly matters because I don't know what the offer is.

So, it is failing at the first component of an effective value proposition. It is, according to our formula, getting attention, but what is the attention for? Let me tell you what the primary problem is or the primary way to fix this. If you are going to use, and you probably won't read this anywhere, so make a note of this for many of you that are using motion. Don't use motion to communicate your core message. Use motion to capture their attention.

This ad could add motion taking place in one corner of it or something that gets people's eyes there, but the message should be clear and should not be something you have to sit and watch. People are going to watch this like a TV show. I am sorry, but I got way more to do with my time than to watch panel after panel come up for me to get clarity.

So, if you are going to use motion to capture attention, don't use motion in the key text. Use motion in something that draws their eyes, an image, something scrolling over here in the left, something that points your attention to a simple message that makes it easy, and here is the other thing. Trying to get somebody to pre-book for an event isn't going to happen in this banner. This banner may need to punt and get you to a landing page that asks you to pre-book because presently, it is pretty hard to get me to commit to a big block of my time on the basis of somebody's banner at the top of a page. Now, the landing page needs to do that work, and the banner needs to sell the click, probably not the meeting. It can mention the meeting, but it needs to sell the click. Get him to the landing page and get him there. Is it Spencer again?

Spencer Whiting: Well, this is actually the landing page for the SmartStream.

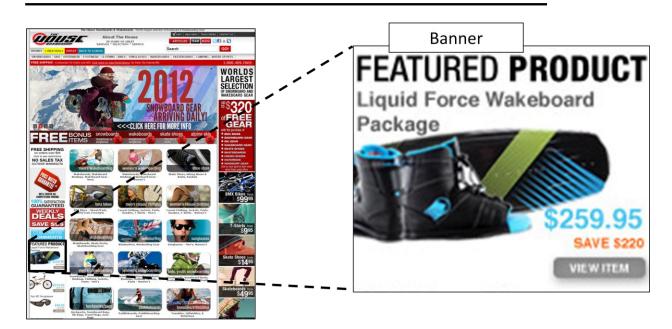
Dr. Flint McGlaughlin: All right.

Spencer Whiting: Okay, so that also has no connection to the ad. So, it needs to lead with Meet us in Toronto, Book Now as you see over on the right. So, there were a lot of disconnects in this whole...

Flint McGlaughlin: Absolutely, absolutely. I hope that helps you, Nathan. If you make a change, send it to us, and we will actually try to review your changes, and just, as a courtesy, to help you. So, I am going quickly to one final ad, and it is with Taylor. Taylor, go ahead tell me what you do here.



Live Optimization: Submission #2



Taylor Kennedy: All right, great, Flint. Well, I think the biggest difficulty of this ad right now is mainly more the site itself, it is difficult. There is no attention.

Dr. Flint McGlaughlin: No eye path.

Taylor Kennedy: No eye path there.

Dr. Flint McGlaughlin: Yeah.

Taylor Kennedy: There is no way to get the attention on to this ad and, you know, every icon on the sided square and so too is the ad. Really attracting attention here is very difficult. This might be one of the cases depending on the importance of the ad where you actually might use some sort of rich media or actual use of motion here. Maybe, drawing the mouse over the ad extends the advertisement.

Dr. Flint McGlaughlin: Well, can I just say Taylor is dead right, but the real solution is to tone down the rest of the site. The site has no eye path, and you got to figure out what you really want to sell here and what you really want to emphasize because the whole site is a verbal onslaught or I'm sorry, a visual onslaught. Go ahead, Taylor.

Taylor Kennedy: Absolutely. Really, the importance overall, we have to determine your goals first of the site and determine the importance of each advertisement, and really, right now, it looks like this advertisement is a low priority. So, other things about the ad that we have got here, we have an emphasis on the price over the actual savings. You could mention the savings in larger font and then the price beneath that. View Item, you can do Shop Now instead of View Item really using more forceful CTA there. Also, really, what is the feature product? What makes it the feature product? Is it a kind of a limited time offer? Is it something that expires as in last year's model that is going to be sold out? You



might want to use a more...a, sort of, more, you know, action-oriented wording there to sell this product versus just the featured product header there.

Dr. Flint McGlaughlin: Excellent, Taylor. All right, we are running out of time, and I would love to teach more, and let me do this. Spencer is in front of me right here, and is there anyway Spencer we could get you to take a few more of these that have been submitted and to make some comments for our blog post on these since we can't get to them now?

Spencer Whiting: Absolutely.

Dr. Flint McGlaughlin: All right, the editor is behind me, thumbs up. We are putting Spencer on the spot in front of the whole world. The answer should be I don't care about this audience.

Spencer Whiting: Paula never says no, does she?

Dr. Flint McGlaughlin: Paula never says no. Just passing some more like her. The truth is we want to help more of you, and if we can look at some different kinds of ads, then we might be able to give you more transferable principles. So, watch, stay tuned to the blog, MarketingExperiments' blog, and we will have more of these ads with more of these comments. I know you are going to comment later on this clinic, but could you...if those of you who are left, could you take the Q&A function, and just quickly let me know if you found today useful because we tried some new things today, and I need your feedback, so I can plan some things that are coming up.

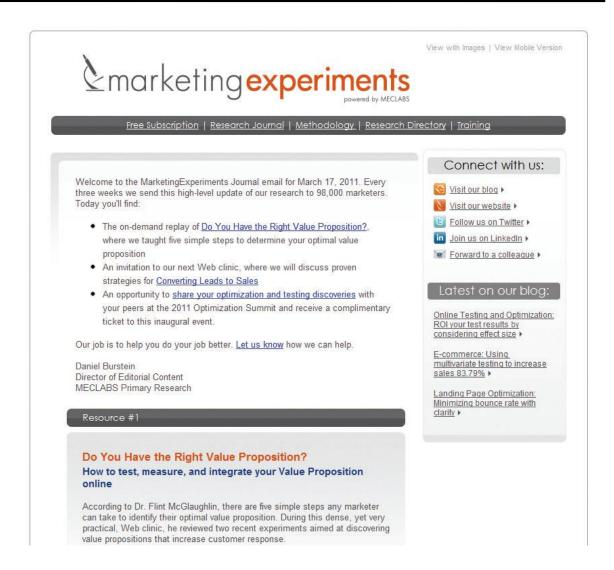
Just take a moment with Q&A and tell us if you found today useful because...or if there are any issues that we can address. Thank you, again. I will read every single comment I am watching coming right now, and I am very grateful. I shall see you in about two weeks with more research. Pass it on to a friend. We would love to have a growing community. Thank you.



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