Email Messaging How overcoming 3 common errors increased clickthrough 104%

Building interest for your offer in the inbox is incredibly difficult for the average marketer. But the right message can make all the difference. In this transcript of the original Web clinic, Dr. Flint McGlaughlin taught how to overcome three common errors marketers make in their email messaging, and how overcoming them in one case led to a 104% increase in clickthrough.



MarketingExperiments.com







Presenters Flint McGlaughlin Adam Lapp Gaby Paez

Writers Paul Cheney Austin McCraw

Technical Production

Luke Thorpe Brad Bortone Selena Blue Steven Beger Jessica McGraw Austin McCraw Greg Gobs Yi Xu

Contributors

Daniel Burstein Beth Caudell

Email Messaging

How overcoming 3 common errors increased clickthrough 104%

[Note: This document is a transcript of our original Webclinic on <u>email messaging</u> that aired November 16, 2011.]

Flint McGlaughlin: Hi everyone, this is Flint McGlaughlin, yet another Marketing Experiments Web clinic. Today's topic is "E-mail messaging; How overcoming three common errors increased clickthrough by 104%". This is going to be one of those clinics that probably tilts your thinking. But let me first of all thank you for your patience, we have had so many people trying to get into these clinics that we had to move to a more sophisticated technology and we have rehearsed with this new technology three times and today is our fourth run with it and our real beta test of a new approach. With the previous technology we could not have more than 1000 attendees. With this new technology we should be able to allow more people to attend these events which keep growing in popularity, and so bear with us if we have further technical issues, we are still learning how to use the system, but hopefully we will get it right and be able to seamlessly move through today's content.

So back to the topic; "How overcoming three common errors has increased clickthrough by 104%." There is a lot of copy written about e-mail, there are a lot of tips provided, there are sometimes list of errors you don't want to make, but I dare say that almost no one on this clinic today has heard of these three particular errors. They are different than you might expect and they are grounded in our research and experimentation across 10,000 tested landing pages and many, many more in e-mail and e-mail campaigns. I am joined today by Gaby Paez and Adam Lapp, both are long time experts in our lab, some of our oldest employees in MECLABS, old in terms of tenure but not necessarily in terms of age. We are a fairly young group, let me say it differently, they are a fairly young group. I am the old guy here and they will be helping us with live optimization. So once we get through the core content we are going to be applying it together as we look at various pages and emails that have been submitted.



Background and Test Design

	 _

Experiment ID: (*Protected*) **Location:** MarketingExperiments Research Library

Research Notes:

Background: Largest physician-only social network which offers its knowledge base to pharmaceutical companies.

Goal: To increase the amount of home delivery subscriptions

Primary research question: Which email will generate the highest clickthrough rate?

Test Design: Multifactor sequential (year-to-year) test.

Flint McGlaughlin: Let me move right away into a case study. This is from our lab test protocol library. This is the largest physician only social network and it offers its knowledge base to pharmaceutical companies. The goal was to increase e-mail clickthrough from rented list to landing page and as in every good experimental design the question is; "Which e-mail will generate the highest clickthrough rate?" Now that "which" question should be to a "why" question which gives us customer insight. The design was multifactor sequential and we have to explain that in more detail, if you have questions let us know because it was year to year and seasonal.

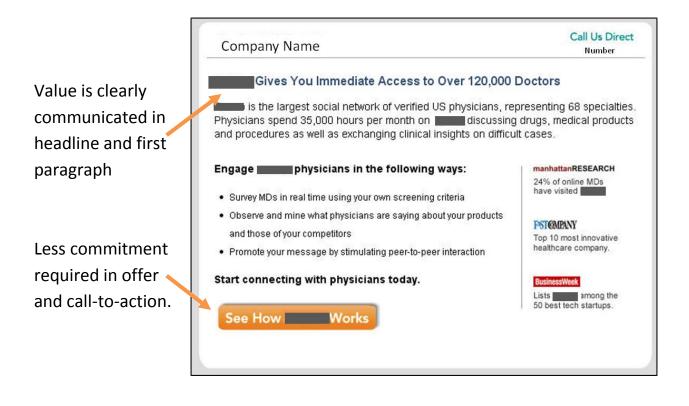
Experiment: Email Control

the largest online physician community with more than 115,000 members	
Company	
Engage for your physician social media strategy Need to engage practicing physicians? Learn how to use physician-only social media tools to conduct research and create product awareness. Get started with a free 30-minute demo. According to Manhattan Research, 25% of all online physicians have visited and the past three months to discuss drugs, devices and collaborate on new treatments and therapies.	Value is buried in second paragraph and at top above the eye-path.
Use advanced online tools to reach this highly active physicians-only community: • Target physicians against a matched list or by demographic criteria • Engage physicians quickly using unique social media tools • Analyze the results of your campaigns in days, not weeks Get started with a 30-minute demo. Have questions? Call or email us.	Offer in email is for a 30- minute demo.
BusinessWeek manhattanRESEARCH Top 10 most innovative healthcare company. So best tech startups. ManhattanRESEARCH	Call-to-action requires a relatively high commitment.

Flint McGlaughlin: In the beginning we should look at the control. You should be able to see the control, the name has been, has been anonymized, but you can see the e-mail and you will notice is that value is buried in the second paragraph and at the top above the eye path, and you will see that the offer in the e-mail is for a 30-minute demo and that the call to action requires a relatively high level of commitment. Think about that e-mail because we are going to show you the treatment now and the treatment is simple and in some ways radically different.



Experiment: Email Treatment



Flint McGlaughlin: You will notice the value has now been moved and it's being communicated in the headline and the first paragraph and you will see that we have asked for less commitment in the offer and call-to-action. Now I am moving through this rapidly because we are going to look in more depth at clear examples as this time together unfolds, but let's look at both e-mails side to side; control and treatment, and ask yourself a simple question what is the primary difference? And we have given you some hint of that and how much impact do you think this difference should have on the conversion rate? Here is the control here is the treatment let's look at the results.



Experiment: Results

104% increase in conversion

The Treatment generated a 104% higher clickthrough rate.

Versions	Clickthrough Rate	Relative difference
Control	1.55%	-
Treatment	3.16%	104%



What you need to understand: By changing the messaging of the email to reflect Sermo's value proposition, we were able to generate a 104% lift in clickthrough rate.

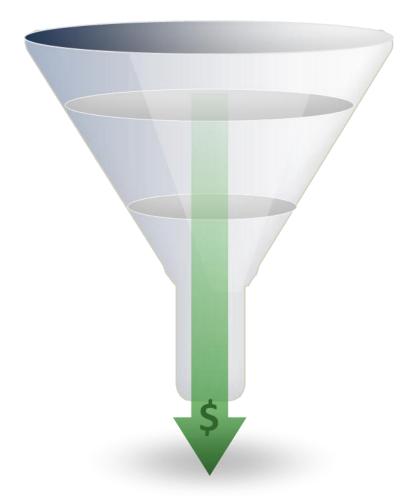
Flint McGlaughlin: By changing the messaging the e-mail is able to help us generate a 104% lift in clickthrough and that's a pretty dramatic increase and its connected to some deep new thinking regarding the way we design and message in the e-mail channels and so we are going to move through three key pieces of thinking, three insights tightly connected to the most common errors and the most dangerous errors that we have observed here in laboratory.

Error #1: Macro Distortion

Flint McGlaughlin: I will start with the first and it is called "Macro Distortion". I will explain that first of all by talking a bit about the funnel. You know at the essence of marketing is messaging, and at the essence of messaging is the value proposition and despite the import of that statement, you can go to a good B school, get an MBA in marketing and still not have a clear idea as to how to move the needle. In fact there is a solid chance that you could get your entire education based in specialized expertise in marketing and not even have a single image controlling soft construct in which you bring together all of the various skills and information sets that you probably try to acquire or were exposed to in your education process. Marketing education is broken, and one of the most common images that we often use to talk about the decisions necessary in marketing is the funnel, but I would like to argue with you today that the model itself is broken and that the funnel is a poor representation of what's really

happening.

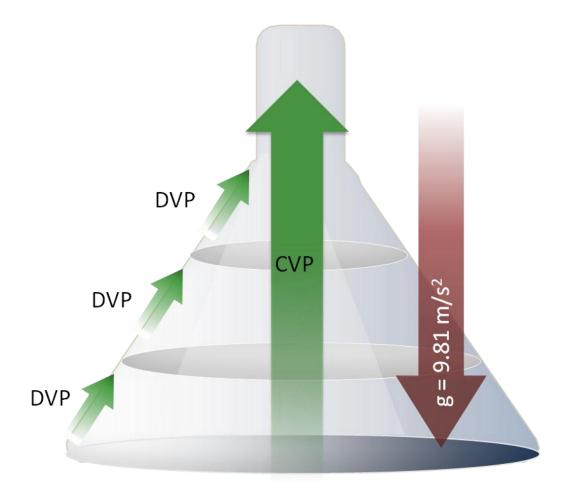
The Funnel Model is Broken



Flint McGlaughlin: You see people don't fall into your funnel. Gravity does not drag them in and gravity is not our friend as marketers, gravity is working against us. To get a clear more accurate understanding of what happens in the decision funnel, we need to invert it, because gravity is pulling people out of your funnel. Indeed more people, more people come out, they are not going or put it this way, far less people survive the entire climb or the entire process than you all would like.



The Micro Decision Funnel



Flint McGlaughlin: The funnel represents and should be thought of as a representation of what is the heart of marketing, and that is a series of decisions. Those decisions are key transitions, I would call the micro yeses and there are a series of micro yeses necessary to helping someone achieve an ultimate yes and the ultimate yes is the sale in most cases and at each of these junctures, we have to help people climb up the funnel.

Now you are going to see something here called the CVP and a DVP, you are probably wondering what that is and I will come back to it in just a moment, but think of it like this when someone receives an email, there is a micro decision that must be made. Whether I open this e-mail or not this requires a yes, then once its opened they have got to determine whether they are going to engage with the content and that requires another yes or it might require several yeses as they move through the various parts of the body copy. Then there is a question of whether or not they are going to respond to the call to action and likely clickthrough to a landing page and this also involves a yes. These micro yeses must aggregate until we have achieved an ultimate "yes" and what's interesting to me is that it requires a lot

of micro yeses to achieve an ultimate yes, but it requires only one "no" to arrest the entire process. In many cases all of marketing should be thought of as essentially assisting people through these micro yeses. Sales is often engaged at the ultimate yes level, but marketing gets people through the micro yeses so that they can finally be at that place or that position where they can make the ultimate yes. On this funnel we see three as an example, but in many cases there could be 20 or 30 micro yeses necessary or even more to getting someone ready for an ultimate "yes."

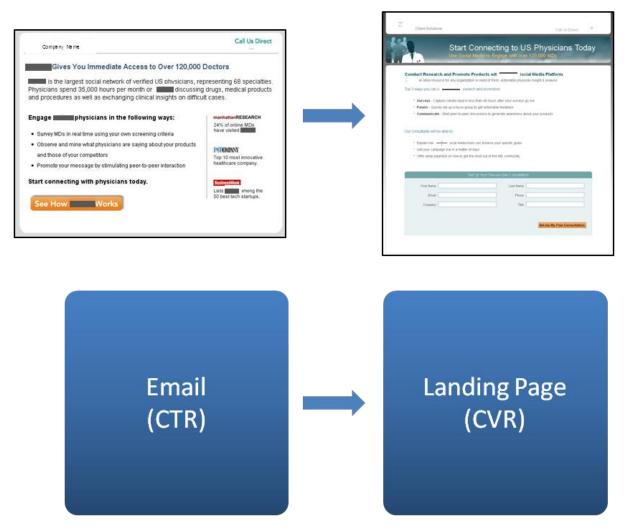
Now if gravity is pulling people out, it's like the second law of thermodynamics in physics, things aren't getting better, things are getting worse that's essentially what this law says and I am oversimplifying it, but you are working against force. There is resistance in your marketing efforts and there must be some kind of significant force that drives people up the funnel. That force is your value proposition and the CVP on this diagram stands for the core value proposition and your business has a central core value proposition that should be driving people up the funnel. Most of us can't define a value proposition much less give an accurate accounting of our own, but even if we can do that we don't understand what a derivative value proposition is, and that is critical to understanding this first point, this first error; macro distortion because the derivative value proposition represents those small value points that help drive people up through each decision phase, it helps tilt them towards a yes.

Now you might be looking at this now and trying to get a clear understanding and the best I can say to you before we move on and start to unpack this is that each step in the climb up to funnel requires someone to make a judgment and say "yes, I will take that step" and the force that gets them to say "yes" is when or is the derivative value proposition and in a nutshell what you need to achieve is this. The perceived force need to outweigh the perceived cost associated with that step, for instance just clicking on the button requires you to determine whether or not you want to do so and if the button promises free access instead of demands that you submit, its promising value in exchange with a click and its helping someone say "yes."

So how does that connect to macro distortion?

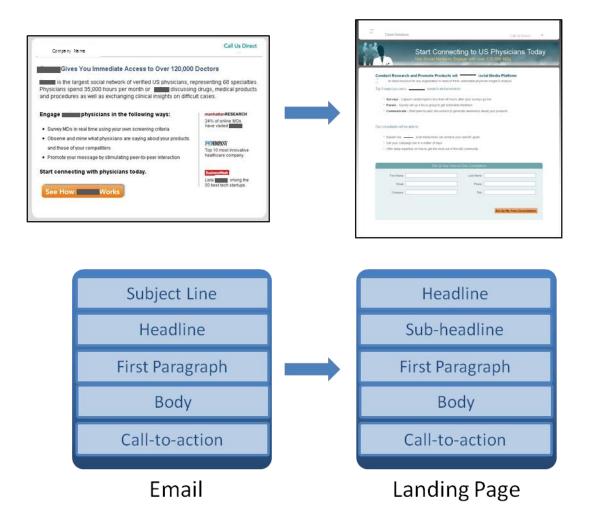


The Macro Conversion



Flint McGlaughlin: Let me show you, this is a typical kind of e-mail scenario and it goes back to our original case study. There is the e-mail and there is the landing page and many people would say these are the steps in the process. First we got to get them to the email, and then we got to get them to the landing page, but that is an example of the kinds of macro distortion that keeps you from understanding what's really going on, you have to look deeper than that. We do not try to optimize emails at MECLABS; we do not try to optimize landing pages at MECLABS. We are trying to optimize the thought sequence and the thought sequence is engaged with a series of decisions essentially we have to win a series of micro yes-es. So we have to think differently because there is more going on here than simply moving from the e-mail to landing page.





Flint McGlaughlin: Instead you are moving from a subject line to a headline to a first paragraph to the body copy to the call-to-action and that drives you forward into a landing page where you are supposed to read the headline and may I say to you that the headline has a single job, it is to get you to read the sub headline and into the first paragraph. The goal of the headline is not to sell your product the goal of the headline is not to talk about your brand, the goal of the headline is not express your value proposition could it, yes, but that's not its goal. Its goal is to get you into the conversation; the headline is a pickup line and serves precisely in the same function.

Tonight here in Florida its 4:20 p.m, soon this company will be starting to shutdown and people will be heading out to their homes and I suppose some of these young people will head over to a bar, Adam has his hands up. Adam by the way is sitting across me, Adam Lapp, he is wearing a suit coat, he is wearing a T-shirt and he is wearing a tie around his neck it's tied over the T-shirt. He is wearing a pair of jeans and a pair of sandals and a ball cap and if you wonder why MECLABS is different it's because our employees are conflicted. Adam may head to a bar I don't know if he will be sans tie or not but you see he is going to try to develop any relationship if he were to see the perfect woman, and Adam is single, and if he were to see the perfect woman at that bar tonight and want to somehow have the chance of a genuine relationship it must start with a conversation would you agree? He can't walk up to her and kiss her. To

walk up to her and to kiss her would be to get the sequence of thought out of order, Adam has to get a series of micro yeses before he can get that kiss and so what must he do?

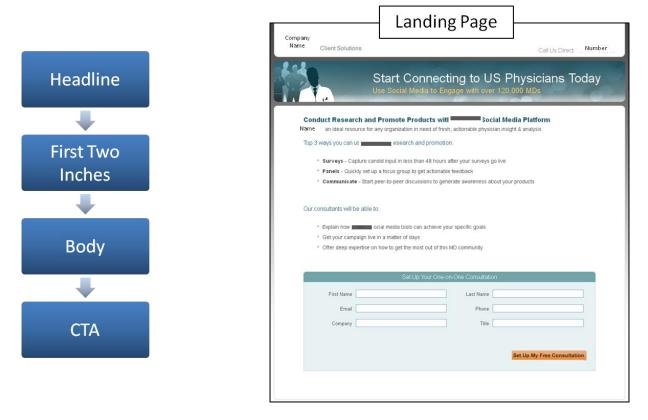
Well he is going to have to walk up to her and say something to get her to kind of turn and open and give him the opportunity for conversation. What will Adam resort to, the pickup line. It is tragic but its true and he probably carries the whole book of them in his pocket. He works in MECLABS and everyone here is, laughing at, at Adam, Adam's pickup line is designed to open a conversation and ladies on the phone how many of you have been, has been plagued with same pickup lines, you know how bad they are. The only place to find more bad pickup lines than the bar is on the Internet, because they are everywhere at the tops of our pages.

A headline is not a pickup line as a form of analogy. I am not saying this to give you a kind of a general idea of what a headline or idea of what a headline is. A headline is a pickup line, its job is to get that person visiting your site to open up to a conversation which occurs as their eyes move through the sub-headline in the first paragraph into the body, into the call-to-action and what I would like you to understand that is so significant at this point is that it is all of these steps that must be transversed in order to finally get someone to an ultimate yes. I need a micro yes at the subject line, at the headline, at the first paragraph, at the body, at the call to action. Macro distortion occurs when you just see a web page and you see an e-mail and you think your job is to move them from the e-mail to the web page, it's not so. Your job is to move them from the subject line to the headline to the first paragraph to the body etc., which is why equally weighted columns on web pages so hurt you when it comes to conversion. They prevent a sequential flow of thought.



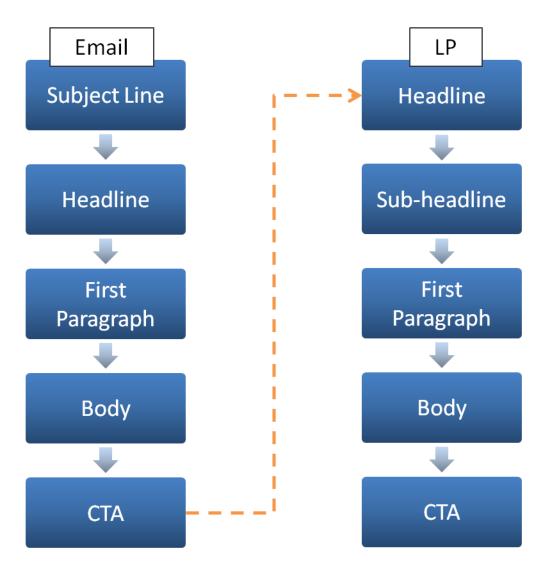
Flint McGlaughlin: So let's look at this first e-mail land that I am looking now at the optimized version and what you have is a subject line, you have a headline and that headline drives you into the next

piece. You have the first two inches where you start to deliver the most important messaging, the largest social network of verified U.S physicians representing 68 specialties, physicians spend 35,000 hours per month discussing drugs, medical products and procedures, do you see how cleverly crafted that e-mail is, its powerful, its designed to support the message of the value proposition and to give it evidential, its credible and it gives you a reason to get to the next part and that's down to the engage physicians in the following ways section which leads towards the call-to-action.



Flint McGlaughlin: So now you are into the body copy and from there you click forward from the CTA to the landing page and you have got to read the headline and again you have the first two inches and the body copy and the CTA, can that page be improved? Of course it can be improved, but that's not the point, the point is this.



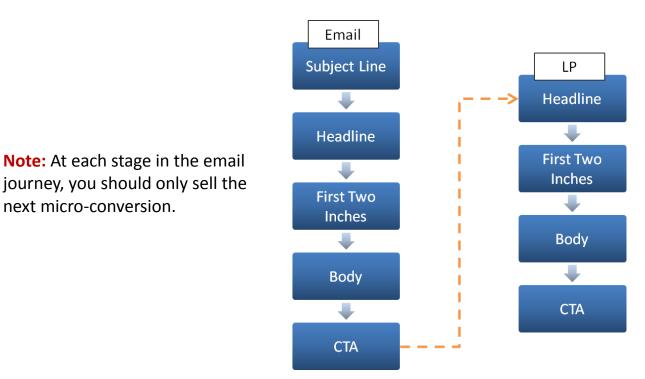


Flint McGlaughlin: This path requires all of these micro yeses to achieve eventually an ultimate yes and the marketer must stop thinking about e-mail and web pages and start thinking about micro yeses and thought sequences. To do so, will move into a whole new level of performance in the work that you do, it's much more significant for you to consider how to help the prospect move through each micro yes up the funnel, not down the funnel, up the funnel towards the ultimate yes.

Now there is a lot of thoughts coming in and questions I am watching and we are going to get your thoughts before too much longer as we look at live optimization but because I have a lot of content to deliver, because my time is limited and because this content may tilt your thinking, I am going to move right into the next point.

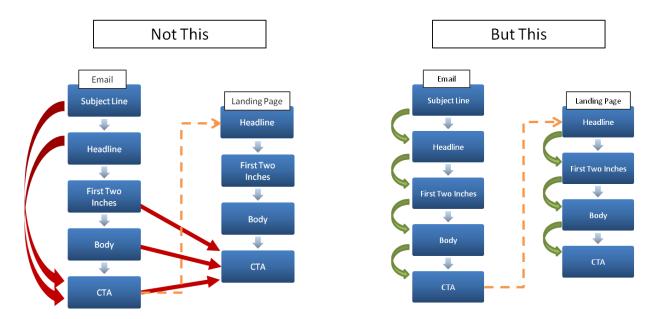
Error #2: Conflated Objectives

Flint McGlaughlin: Macro distortion is a critical error that inhibits our performance but so then is conflated objectives. Now conflated objectives occur when you fail to recognize the sequential flow of each step up the funnel.



Flint McGlaughlin: At each step or at each stage you should be selling the next step, not the one that comes after it, three steps away but you must flow through it.

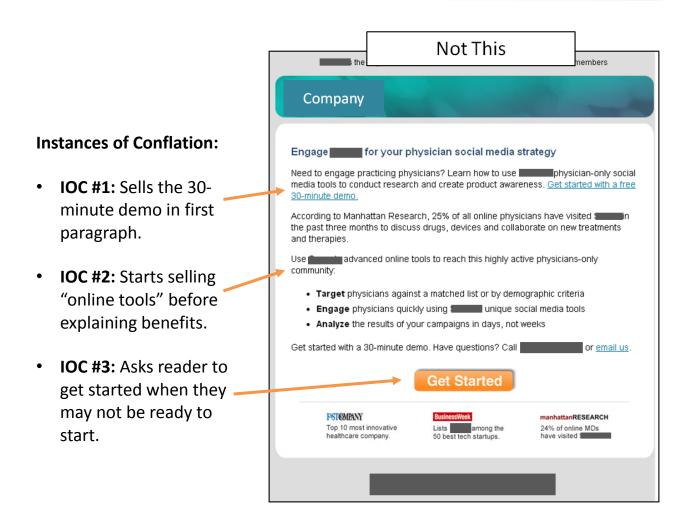




Flint McGlaughlin: Let's look at the "Not This" example. Look at it very carefully. What it's doing is it showing you a design that has the call-to-action too soon, before they have made enough internal yeses, micro yeses to be ready to respond to your call-to-action. This is a conflated objective, this is forgetting what the goal of each movement through and up the funnel is supposed to represent, let's go back to Adam. If Adam goes into the bar tonight, sees a beautiful girl, walks up to her and presents her a beautiful diamond ring, kisses her on the lips, he is probably going to find himself outside the bar in a quick hurry, I imagine he will get slapped and the bouncers will probably follow that up with their own version of censure.

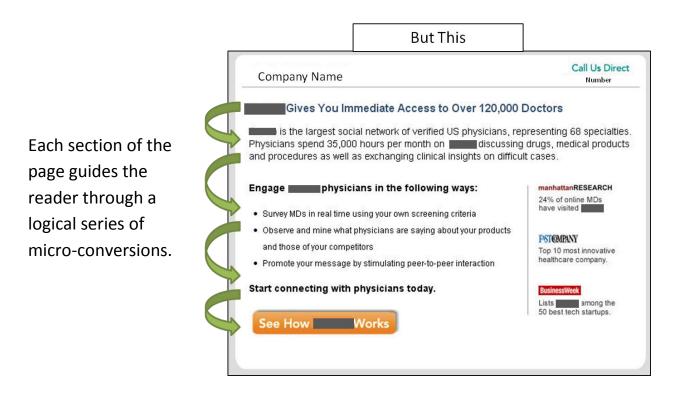
What would Adam be guilty of? Very simple, moving the call-to-action above the fold. In the end Adam is asking for too much too soon and now he has far more wisdom than that and because he has been optimizing landing pages for so long that I am sure he has this all worked out, but every time you force because you heard some truism that was hoisted on you from years gone by when we were working in direct print and newspapers that you must keep the call-to-action above the fold, every time you simply follow that blindly you are forgetting a critical piece, that sometimes forcing people to make a decision before they are ready forces him to make the decision that you don't want, but it could be this girl at the bar has a potential affinity for sexy marketing experts who wear ball caps and ties with their T-shirts. It might be that she is the perfect woman for Adam and he is a perfect mate for her, but he will know never know, if he walks up to her, gives a ring and kisses her on the lips because she will terminate his opportunity.

Every day we have our opportunity terminated because we force people to make their decisions before they are ready. Now when you stick that call-to-action too soon in the thought sequence you are committing an error, you are conflating your objectives. So then the e-mail needs to flow sequentially through the sub thought sequence over to the landing page where again the same process takes place.

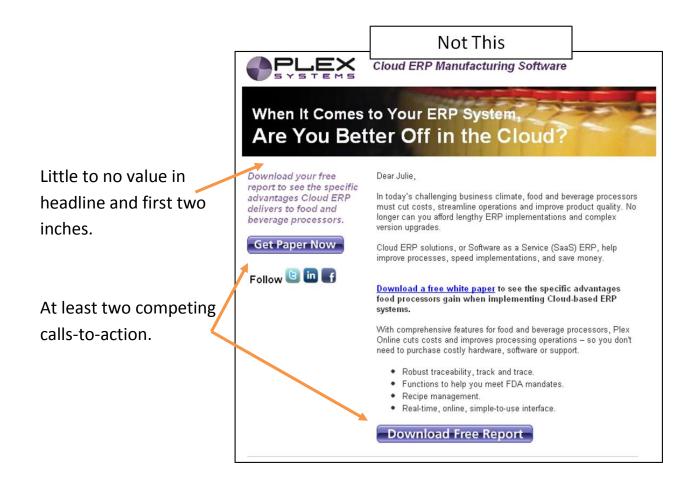


Flint McGlaughlin: You can see in the original e-mail that we sell a 30-minute demo in the first paragraph. Now we don't know at this point what this is about, how long it takes to download, whether we have to go somewhere, whether we have to fill out a form to complete it, if we even want it yet. If you look at the original e-mail, there is need to engage practicing physicians, learn how to use physician only social media tools to conduct researching great product awareness.

Now I am just going to ask you to engage your memory for a moment. Do you recall the optimized email in fact let me just show it to you. Now let me just remind you of it, it talks about the largest social network of verified U.S physicians. It talks about the number of specialties I think it was 68, it talked about its very difficult for me to read the small print and I am trying to see it on my screen, 35,000 hours per month being spent on the site. It uses quantitative statements to drive up your desire to interact more and it raises the appeal of the opportunity and intensifies the exclusivity of the offer. We don't do any of that here, we just go for the gold, try to get the lead now, and we start selling online tools before people understand what we are talking about, and we ask the reader at the bottom not to learn more, not to you know move to the next step, but basically to commit let's get married now, its too much its too fast, and it hurts performance. So when we showed you these two emails in the beginning it was just a rapid comparison and you might have seen what that other one looks a bit better but you need to understand that between these two emails, there is a great void and science has what's created this void. There is a great difference in approach and you can't see the difference by looking at the email. In fact you can see that one is slightly different than the other, but you can't see the dramatic difference, the dramatic difference that produces a 104% increase, you can't see that until you look tighter and closer and deeper, pass the email into the thought sequence, into the series of micro yeses.

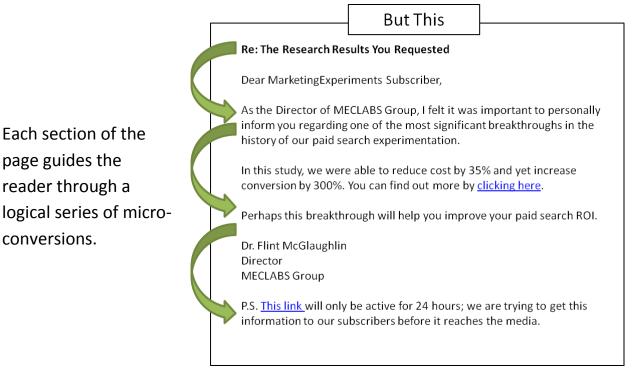


Flint McGlaughlin: In the new e-mail each piece attracts you through the thought sequence, and then there is an interesting button at the bottom see how that's the name of the product it's in black words, that's far less threatening than get started and that's the move that Adam needs to make. Frankly if all is successful, he might have a conversation and if that goes really well, he might get a phone number and if he were to get a phone number, he has the beginning of a way to increase the dialogue. He is now in the lead nurturing stage of this relationship, and Adam we are all trying to help you out here, instead of virtual Adam says. So that's how this process works and by the way you hear me a lot talk about relationships, a guy meeting a girl. This is because at the essence marketing is about relationships and the same voice that you use when you go to meet someone at a party, when you are sober Adam and you are just talking and trying to create relationship is the same voice you should be using in your marketing collateral, but instead we resort to some kind of hype and clever headlines and slogans and kinds of things he would never say to a real person in a real situation and it hurts us.



Flint McGlaughlin: Here is an example of a conflated objective. "Get paper now" look at the call-toaction up there on the left and "Download free report" and "Download" again it says in the middle. "Not This"; look at the problems. Two competing call-to-action, little to no value on the headline, the first one which is a completely wasted...





Flint McGlaughlin: "But This", here is an example of a different approach to our own library. Now I could tell you the story because this connects to something we did in the past, but what is the goal of this email, it's not to sell anything. The goal of this e-mail is to get a click, but too many times you are trying to sell an e-mail and then we are trying to sell the landing page, if they had already sold when they get to the landing page, why are you selling them again and if you didn't sell them in the email, then why are you using the e-mail to sell at all? Why don't you use the e-mail to simply sell a click to get them to click because until they click in most cases, now there are some rare exceptions but in most cases until they hit the landing page, you can't really close the transaction.

Austin has spoken and said that your e-mail often you maybe familiar with it is one of the writers and I think Paul is the key writer on this. As a matter of fact and Paul is sitting here across from me and I am in the studio, by the way we started to show you a video you should see that video, it's what goes on behind the scene to produce some of these Web clinics and its fairly extensive. The video will show you what we all look like when we are sitting around the table, no I am not in a suit, yes you may have seen me at a conference in a suit, but I am not here I am on the beach in flops and jeans and with my long luxurious thick hair and you will see and so if you can go to our website somewhere I don't where, is it on the marketing experiment site or the blog? All right he is tweeting it through <u>#webclinic</u> a link where you can watch the video and you will see how much work in research it takes to produce one of the clinics you are seeing right now just to conduct a research.

One more thing and I will move on. You should, if this is helpful and you start it soon you should look the MarketingSherpa e-mail summit we are going to be doing in Las Vegas at Caesar's Palace in January, because I am just touching on something that I would like to spend far more time teaching, we will be doing that there. You can find that out at MarketingSherpa.com I am sure.

Your Email Might Be Conflated If...

- Your email says exactly what's on the landing page.
- Your email takes more than 30 seconds to read from beginning to end.
- Your email looks and feels just like a webpage.
- Your email looks and feels like a magazine.
- Your email has more than one central call-to-action.

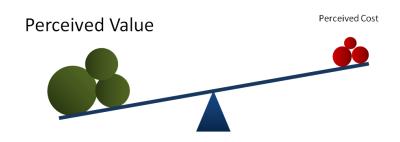
Flint McGlaughlin: So your e-mail, Paul wrote, might be conflated if sounds like a David Letterman, kind of a David Letterman Show, it might be conflated if your e-mail says exactly what's on the landing page, that's a bad sign don't do it. Your e-mail takes more than 30 seconds to read from beginning to end why are you trying to sell them an email, get them to the landing page where you can do it better. They can't understand you offer immediately as well in the limitations of an e-mail browser. Your e-mail looks and feels just like a web page. Your e-mail looks and feels like a magazine. Your e-mail has more than one central call-to-action, all of these are indicators that you have the second error, and that's conflated objectives.

Error #3: Assumed Value

Flint McGlaughlin: I am now moving to the third. As soon as I am done with this third point which we are going to move through rapidly we are going to start live optimization. The third point may also tilt your thinking but its critical, stay with me and we will try to deliver as much value as we can all the way up to the exact end of this clinic. Here is the third error "Assumed value", "Assumed Value". So we talked about "Macro distortion," we talked about "Conflated objectives" and now we are talking about "Assumed value."

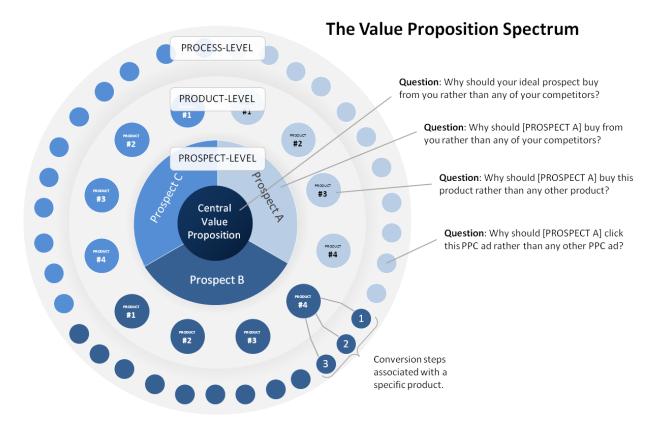
Note: At each micro-conversion in the email journey, there is a value exchange.

For each micro-conversion, we must calculate and deliver the needed perceived value for the prospect to move to the next micro-conversion.





Flint McGlaughlin: You remember we looked at the model and we said that there must be a series of micro yeses that drives people up the funnel but that is, that is connected with the concept you see on this particular slide. At every juncture where there is a macro yes, there is a kind of particular force, a derivative value proposition that drives them up the funnel to the next step and at the heart of that derivative value proposition is a simple understanding, people say yes when perceived value outweighs perceived costs. The emphasis here is on perceived, value might outweigh cost, but if they don't perceive it, it doesn't matter. So your job as a marketer is to get that perception, it is the job of your CEO to ensure that the company delivers the value proposition. It is the job of marketing to see that it is communicated and let's talk about that, as we go to this chart.



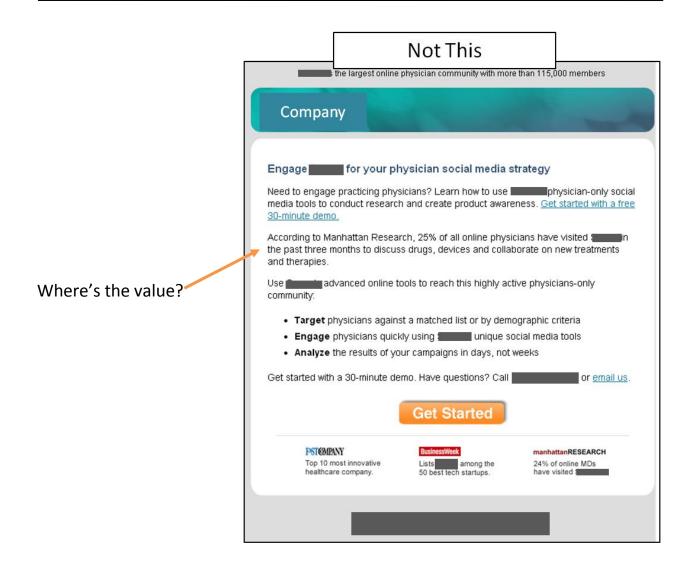
Flint McGlaughlin: This chart was built in our research group. I am working on a book with some of our staff members including Austin here on the value proposition. It is a very misunderstood term, it was coined by a man named Michael Lanning, but it was referenced as a concept earlier all the way back to textbooks in 1910. No one has brought together all the components and no one has attempted to do significant research first before they presented their theory. However practitioners with significant experience have said some really valuable things, and we have factored all that in while we have conducted extensive research here in MECLABS and we are going to be telling you more about it in the future, for now here is what I can say. Every business has a central value proposition and I could talk through 1100 academic articles, then a lot of other pieces or I can say to you that the answer to the question "What is a value proposition?" is another question.

That question is simply this, "If I am the ideal customer, why should I purchase from you rather than any of your competitors?" Now bear with me I don't have eight hours to teach this but every word in that statement, every phrase is critical, even the fact that it's in the first person because you got to think through the eyes and the minds of a customer, back to the thought sequence, back to the micro yeses. The value proposition is an answer to this question again "If I am the ideal customer, why should I purchase from you rather than any of your competitors?" but you know what, there are more than one kind of value proposition. The core value proposition drives the entire company's work. At MECLABS our value proposition is driven by rigorous science, world's largest library of case studies experiments 10,000 plus experiments have been tested. One billion e-mails Austin tested one way or the other, in aggregate depending on how you count it, lots of e-mails being tested and you know 500,000 conversations with the decision makers, five million phone calls recorded that's our value proposition's core.

At the heart of it I could restructure that, restate that but that's the essence of how you would answer the key question, but at the same time at MECLABS we have value propositions that are important to different levels of, at a derivative level. That means they are derived from the core, but they are different, three kinds, three Ps you can remember them; the prospect level value proposition that's how that question will be answered to a given prospect category. If you serve banks, insurance companies and government institutions, then you might have three different expressions of the answer to that critical question based on the group you serve. There is also the product level; if you sell product A, product B and product C, each product might have a specific answer to that question because the product itself has its own sub value or derivative value proposition.

One of the most confusing aspects of this is the prospect level value proposition... I am sorry the process level. The process level refers to any action; you are asking someone to take on your website like clicking on a button, that's process let's give you an easier one. If you have somewhere on your website where you are asking for an e-mail address, the process that they must go through that is entering their e-mail address requires you to have a derivative value proposition that makes it worth their while. There... to go back to the earlier slide, the perceived value that they will accrue from that process should outlay the perceived cost. This chart is part of a much more extensive conversation about value propositions and a lot more teaching that we do on the subject, but all that you need to know today is that for any action, you ask someone to take on your website you must clearly show them how the perceived value outweighs the perceived cost.

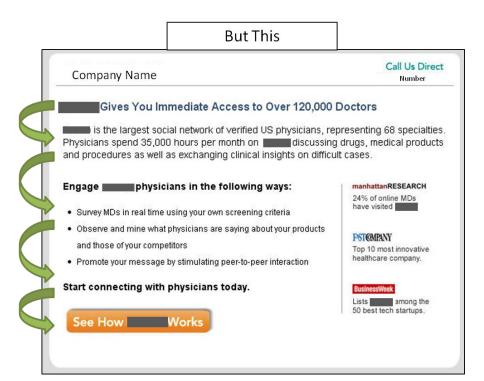
Now I want to say the word perceived is important and I want to restate something I said earlier with a slight nuance. It is the job of your CEO; by the way every good CEO must be a marketer. If that sounds like paraya, you need to understand I am not the only one that said it, Drucker said it too and he was right. He has to be a marketer because it's his job to make sure that the company has a value proposition. He has to have a market understand the market how the organization is going to serve the market and he is the ultimate custodian of the value proposition. It's the job of the CEO to make sure the value outweighs the cost, but it's the job of the marketer to make sure the perceived value outweighs the perceived cost because the marketer messages that value proposition.



Flint McGlaughlin: Keeping that in mind, what's wrong with this email? Well we talk about a free 30minute demo, but there is no value communicated. We ask them to do several things here but we don't communicate enough value to make it worth their while. So the only people who click on the e-mails are those who are already familiar with the brand and know the value is there and you are simply reminding them, or people whose motivation level is so high that they are willing to take the risk. It is much better for us to communicate in the ways that reaches people with lower levels of motivation, and that requires us to do something that you see in this optimized version...



Each microconversion step provides just enough value to move the prospect to the next one.



Flint McGlaughlin: ...where we are explaining the value right from the headline. The name of the company it says and it's blanked out gives you immediate access to over 120,000 doctors. Now look that is proclaiming significant value, what is the goal of the headline, somebody on the line tell me right now on your "use your check" feature to answer the question, "What is the goal of that headline?" write it in I am watching. Type your answer on your chat feature.

Okay class you are being graded on this, this would be on your permanent school record. To get a yes, to make me keep reading, to get them to keep reading, yep you are all on the right points. The goal of the headline is to get them into that first paragraph, that is correct its not to sell the product, but that headline is powerful it gives me a reason to read the first paragraph, it's the largest physicians group. No one else can make that claim and it has all of the key elements associated with value and it drives them into a paragraph. What does that paragraph do? It has quantifiable reasons to read the rest of this, to move to the next piece and then what does this button do? It gives you something that makes a lot of sense at this point in your thought sequence. You are interested, you want to understand how it works, no you don't want to get started, no, you don't want to sign up. Well you don't want to register and God knows you don't want to submit. What you want is to find out how it works, and so the button comes with just the right message that gets you the click-through to the landing page, that is an example of overcoming the assumed value in the earlier email.

Good answers coming in by many of you and I am glad to see that and I hope this new system, this new technology that we are using today will help because we will be able to get more of you online and even show video and do some interesting new features. For now however I would like to suggest that we move to live optimization. I want to summarize for you however and say that I would say that in your emails today, you should block away from this session asking, "Have I any examples of macro

distortion?" "Is there any place where my objectives are conflated, and I am perhaps moving the call-toaction too soon, or I am trying to sell on the emails sitting on the landing page?" and thirdly you should ask "Am I assuming value instead of delivering it clearly in the messaging?" Clarity Trumps Persuasion. If you really have value, you don't need to hype it but you must clearly communicate it, and I was given a little yellow sticky pad just now by Paul and again once you see the video, you can kind of look at the studio we are in right now as we are doing this and it says "E-mail summit".

When I brought up the e-mail summit the first time, it was natural, it was honest and I was doing it because it seemed like something you should do. Now I am doing it because I am supposed to remind you to go there because Paul probably wants tickets to be sold. It's the largest in the world and it has all of this rigorous science, and it has case studies from practitioners. There are no vendors selling from the platform it's all about the science and it's all about the experience of marketers like you. Paul is that good enough? And if you register today, I will give you Paul's home phone number and you can call him at any hour, 24 hours a day with your e-mail questions.

All right, we are going to move on to, we are going to look at live op websites and to do that, I want to, I want to move to the first one, now is this a website or an e-mail we are going to do? Okay so our technician is going to put up the websites, and we are going to look at one right now and we may actually go online to the web we have. We have moved from the slide to the web, you are looking at a social media webinar and I would like the audience to help me optimize. Tell me the first mistake you see and by the way we don't want to be unkind to the person who submitted this, it was Peitra and this is the e-mail all right and we are going to look at this e-mail but tell me how you would fix it. Somebody says they are not seeing it, they don't see anything, has it come through now? It's up now, there is a little lag time you should be able to see it now. We wanted to move off the slide, we have used this slide before, but what we think seeing it like this makes it easier for you to comment.



Flint McLaughlin: All right now that you see it, tell me "How would you fix this, what is wrong with this email?" give us some optimization tips, wasted to the top five inches. The call-to-action is on top congratulations Howard you have been listening. "The headline needs to be a value prop"; no listen David it doesn't have to be a value prop, but it has to give them a reason to get into the first paragraph and between the headlines and the first paragraph then they should start to be experiencing the value proposition. "Here is too much text and the colors are terrible, the title is small" that's what Ralph says, "CTA is too far off", yes Karen. Andrea says "Register now", Steve says "No personalization", Andrew says "The call-to-action is before the text". Yes you are getting it, the body is too long maybe, maybe it is, and maybe it isn't. It depends on how much body text is necessary to get them to the landing page, but if they are using the e-mail to sell instead of the landing page, you could well be right.

So let me move over we are getting your thoughts, keep talking to us but I am asking Gaby, Gaby has been here a long time. She was a Senior Leader of last of our Research and Optimization for the New York Times. You may know that we have been working with them for many years and we are involved in lots of the recent changes etc. and it's been very successful, but Gaby has worked across many major research partnerships. We have micro labs setup inside and along aide of many major organizations to extend our research and Gaby has overseen many of those. Gaby, talks to us about this e-mail and tell us what you do.

Gaby Paez: Sure. So the main thing I mean when, what we just talked a lot about the message and the value that is communicated or actually lack of communication in the e-mail. First I noticed there are two headlines, one in the banner tells you about social media webinar, but the actual webinar is about mobile opportunities. In nonprofit areas. So that would probably create a disconnection with the reader and then many pointed out the long copy. Actually after reading the copy, it starts from what, well by stating our problem but that is very difficult to digest that copy quickly. So I would definitely recommend trying to shorten the copy and use bullet points or even bolding key phrases.

One thing is important of course is the value of this webinar is what answers will it give to the mobile question that you are putting, and then it's important what I noticed is this is a paid webinar, and that's something not communicated in the email. It might be good to test because it could lower the clicks by stating the price, but at the end you want really qualified traffic for your webinar, and there is an incentive that you have in there on your landing page for early registrations that is not communicated in the email. So again that's something that you may want to clarify and then at the bottom of the email, when you scroll down there are two logos, one is your company and the other one is Paypal. So you don't really understand what the Paypal has to do with these emails or these webinars. You want to make sure that if the sponsor is you are communicating the landing page and also because you might be targeting rented list or lists besides your in-house list, people that may not know who you are. You also want to state maybe at the bottom of the e-mail a little bit about the company, about yourself "Why am I getting these e-mails?" Those are quick things that jump to my mind.

Flint McGlaughlin: Excellent. Now we are going to move to a bunch of these trying to give you transferable principles and I just want to say couple of quick points before we move on. It doesn't matter where it's at, or when it takes place until I am interested in it and Gaby may have pointed that out as I was reading your comments and feedback, but that's the kind of information you share when they have already expressed an interest by reading through enough of the content to demonstrate it. I wouldn't push that at the top, it's getting in the way of our core messaging, its wasting valuable space and its talking to this girl at the bar about how many children you want to have before you even got to date with her yet, and I would also suggest that you don't have a bold eye path through this text, the paragraph, the second paragraph too long. You should have bold font, you should use bullet points. Of course you might shorten it but it's far too much to absorb, it's too much work, you are requiring the customer to make meaning. I am not going to say more because Gaby has done a good job and the audience has done a good job. I am going to shift to another e-mail and Peitra I hope this helps you and if you would like to submit the revised version to us, we will give you personal feedback to try and help you get a win.



Flint McGlaughlin: Let's take a look at this e-mail and show it top to bottom there you are. I recognize that button did you, is that submitted by Kathy, Kathy did you steal that button from us? Please be in contact with our IP attorney, sorry when we stole it from you?

Adam Lapp: She is an LPO alumnus.

Flint McGlaughlin: She is an LPO alumnus.

Adam Lapp: Yeah.

Flint McGlaughlin: Well I was going to say it's a beautiful email. That means that she has certification training from us and yes Kathy it is a good button and I hope you did steal it from us or somebody because it's easier to see look at those, let's go backwards. Well look at the button on the previous page, is that hard to do? There it is, its hard to even that's a button, it has the same flat one dimensional look of the banner. It says "Register now" its by the way does that promise anything in exchange register now, you don't want to say "Register now" you want to say "Reserve your seats", something that has a positive benefit for the click, it doesn't do that but go to this one, scroll down and look at that button and it says "Get your free report" you see how that promises value that micro yes is working. Let's stop

for a moment though and let the audience talk to us about, this we can make it better, so audience give us some ideas.

I would switch the imaging bullet points and also so that image is on the left to draw attention and pass on to the bullet points good point. All right someone else well you know I would say it is eyes already start at the left. So you technically want to use your image to draw them through the text. The goal of an image is that it supports the value proposition, set a tone or draw or control the eye path. It might be that she will get better results where that image is right now. Let's keep going, fix the heading, image and rub your eye path, I put the testimonials below the screenshot to bring the button up. The image is too small, I thought 70% of people don't render images, so if your only call-to-action is an image, they won't see it, correct, oh interesting point I will let, I will let Adam speak on that, go ahead Adam.

Adam Lapp: Sure and before we analyze this particular email, I would like to add something to these prior value proposition examples that Dr. McGlaughlin spoke about. I think ignoring the process levels value proposition is where we get a lot of our bad habits as marketers, those kind of popular tactics such as above the fold, because if you are you know having to create a landing page that keeps everything above the fold, you essentially you are not adding enough value in that process decision to get them way to scroll down the page, but as we look at this, this particular email, I would like to say that it does, it already has a lot of great you know strategic principles involved with it. So you can definitely tell that Kathy is an LPO alum, how I would improve this, there are a couple of things.

Number one; there is a lot of space dedicated to that banner, you know what if the visitor doesn't know what word stream is, what is that image trying to communicate. It's a race car, but how does a racecar, how is that relevant to Adwords itself? Also who is the audience exactly, I know you are trying to appeal to any business, small to medium that perhaps needs to use Adwords, but are these, all of these somebody who, out of these people somebody who already who knows what word stream is, is this a rented or purchased list? That difference is going to be you know pivotal in how you create this e-mail. If somebody has already heard of word stream, then I think you know how you have laid out the copy and the value is perfectly fine, but this audience has not heard of word stream, you get a little bit of credibility first in order to get people to read through the page. Also there is no problem being communicated here, it's completely solution oriented, you are giving me a solution to improve my Adwords performance.

What I would suggest to make that solution much more valuable and pertinent to the end user is to build a problem for them. For example you know 78% of our clients are leaking revenue by underperforming campaigns and you know excessive bidding on irrelevant keywords, or you know a study from x, y, z shows that the average small business is leaking 15% of their revenue that they could be generating as profit. So build that problem before you offer the solution and then the last thing I will add to this is I think the email. It may be too good to be true, it may seem that way to the 2011 jaded customer on the other side you know this is a free product it looks free, it's a nice looking tool, it's going to give me a lot of value. It appears so, but what's the catch and so I think maybe addressing that anxiety or that concern people might have may help you generate more clickthroughs on this email.

Flint McGlaughlin: Kathy I think Adam just put his finger on the most important point and I see that you try to address that with a box and underneath that with Claudia and the testimonials, but I think the biggest gap you have to overcome is that people are going to think if its free is it really worth my attention or time. However I have to tell you that of the emails I have looked out in the last, say five optimization clinics this is one of the best ones I have seen. If you are on the audience and you are saying you know can you show us an example of a good email, this is a lot better than many, could you improve it, yes but it you are doing a lot of things right Kathy, so congratulations and we would like to help you get it even better.



Flint McGlaughlin: Let me just move on quickly. I know that we only have four minutes left. If you remain on this call for four minutes, I am going to spend all four minutes blasting through e-mails trying to find something going to help you at least. We try to have a cross sample like look at this one, completely different from the last, and so let's ask ourselves how we could improve this e-mail? Audience, we are out of time, but I would still like to see your thoughts, quickly tell me. Robin says "I would have written the word free and this certainly will be trigger for spam filters". It's a good point it can be depending on how you display it as an image and if you display it as an image you will lose your ability for people to see that they have your images off. Be really careful about that word it could hurt you, but let's keep going. Someone says "This is too busy, too much bold, get rid of the shop now button, too much copy, this looks like spam". It does and there are too many images, too many buttons.

The operative word that you hear looking at these responses and they are pouring in, this was submitted by ES, yes if you look at this right now, too many shows up over and over again from people who are watching and they are right. There is too many and we will talk about all the too many's they are all in just a minute, but let's go back to Gaby and Gaby, tell us really quickly what you do.

Gaby Paez: Exactly that's why I mean too many things going on like as we say especially with the design elements say color sizes, and actually the offer is good, the problem is really in the offer and understanding the offer. So actually first trying to control the eye path and staying close to the visitors mind in terms of what should be presented first, second, third and also weighting the sizes for the different elements. We are not against big buttons, sometimes big buttons work but of course it needs to be related to what other elements are on the e-mail and weight it against them. So I would really suggest you to breakdown the offer in terms of where the things that will get you free shipping, and these free products, click here to shop and then have images of the qualifying process. But really avoid them against this the copy so that the eye of the reader is focused on the offer and not so much that there is the running elements, the banners and the icons and the images at the bottom really distracts the eye path.

Flint McGlaughlin: Excellent point, excellent point. All right, any point you want to add, okay. We have two minutes left. I am watching your comments come in and I think what I want to do is go as fast as possible to one more email.

Let's use two minutes and see if we can get one more in front of you. By this way all this e-mail is coming in because I am going to have Adam speak about this in just a moment but of the two columns and the last one was a big mistake. There are a lot of errors, that's not an e-mail by the way that you optimized. That's an e-mail that you print and then you cut it with a pair of scissors into tiny little pieces and throw it away and start completely over in your design process because it's just, it can't be fixed, it has to be replaced with a better version and I don't mean that in any offensive way, but you just need to know when to stop trying to make an incremental improvement on a bad E-mail. Here is the good news, you've got a real offer, there is something there worth paying attention to, you need to communicate it differently. Adam I am going to have you talk about this email. While Adam is doing that, would you just tell us if you found today helpful and if this content was too deep or just right and if these examples are helping you, let me get feedback so that you can keep optimizing what we are doing here, over to you Adam.



Adam Lapp: Sure. So the moment in time I only have three main points for this email. So first if you scroll through the top, you will see a similar pattern occurring with all, most of the e-mails we have seen as you are wasting a lot of space and in this case, its almost 400 to 500 pixels until you know the visitor really gets to see what the e-mail is all about, so utilizing that top space a little bit better is going to help this e-mail perform. Also the headline is vague its ambiguous I don't know what this e-mail is about, what they are supposed to do and what value you are providing.

So if you read further, you find out that they are going to tell you all the top places that you can go boating, that you can go fishing, use that in your headline tell me top 25 best places of boating in America. Catch me give me an actionable figure quantifiable number something that's going to hook me into reading further that that you know first micro exchange and then the last one is just the overall value exchange of the e-mail you know you have to remember as somebody is scrolling to their inbox that not only are you competing with all the other boating companies out there, you are competing with all the other emails and their inbox and so you know and maximizing the amount of value that you are providing on this e-mail in order to get that clickthrough and in this case I think you could do that by providing a little bit more value about you know what I am going to find out. Look at the top fishing secret holes in America or you know top places for families to go boating and so just anything of that value a little bit. **Flint McGlaughlin:** Our normal Web clinics will be right on schedule about every two weeks and we are releasing the latest findings from our discoveries and we invite you back to that. If today was helpful, tell a friend. These webinars are very expensive to produce and we hope that they spam the community of marketers, by learning together and all we ask to do is tell somebody about it, thank you again and we will see you very soon, bye.

MarketingExperiments Optimization Newsletter

FREE subscription to more than \$10 million in marketing research

Join 98,000 of the top marketers from around the world as we work together to discover what really works.

<u>Free Subscription Research Journal Methodology Research</u>	<u>Directory Iraining</u>
	Connect with us:
Welcome to the MarketingExperiments Journal email for March 17, 2011. Every three weeks we send this high-level update of our research to 98,000 marketers.	Visit our blog 🕨
Today you'll find:	Visit our website 🕨
 The on-demand replay of <u>Do You Have the Right Value Proposition?</u> 	Follow us on Twitter •
where we taught five simple steps to determine your optimal value	in Join us on LinkedIn 🕨
proposition	Forward to a colleague •
 An invitation to our next Web clinic, where we will discuss proven strategies for <u>Converting Leads to Sales</u> 	
 An opportunity to share your optimization and testing discoveries with 	Latest on our blog
your peers at the 2011 Optimization Summit and receive a complimentary	Online Testing and Online and
ticket to this inaugural event.	Online Testing and Optimization ROI your test results by
Our job is to help you do your job better. Let us know how we can help.	considering effect size +
	E-commerce: Using multivariate testing to increase
Daniel Burstein Director of Editorial Content	sales 83.79% +
MECLABS Primary Research	Landing Page Optimization:
	Minimizing bounce rate with clarity >
Resource #1	
Do You Have the Right Value Proposition?	
How to test, measure, and integrate your Value Proposition	
online	

With your FREE subscription you receive:

- First access to \$10 million in optimization research
- Four live web clinic invitations per quarter

Subscribe for FREE!

MarketingExperiments.com/subscribe

Discover What Really Works in Optimization

<u>MarketingExperiments</u> is a primary research facility, wholly-owned by <u>MECLABS</u>, with a simple (but not easy) seven-word mission statement: **To discover what really works in optimization**.

We focus all of our experimentation on optimizing marketing communications. To that end we test every conceivable approach and we publish the results in the *MarketingExperiments Journal* (<u>subscribe</u>).

Three ways to make the most of MarketingExperiments:

- 1. **Self-Guided Learning:** Access, for *free*, more than \$10 million in primary marketing research and experiments via our <u>web clinics</u>, <u>blog</u> and <u>research directory</u>.
- 2. Formal Training: Learn how to increase your marketing ROI through <u>live events & workshops</u>, <u>online certification courses</u> and <u>live company training</u>.
- 3. **Research Partnership:** Apply for a <u>research partnership</u> and let the MarketingExperiments team help drive conversions and ROI for your subscription, lead-generation, ecommerce, email and other online marketing efforts

Would you like to learn the MarketingExperiments optimization methodologies from the inside out? We're always looking for the next great optimizer to push our research forward. Learn more on our <u>careers page</u>.

Share your success and learnings

While we at MarketingExperiments are glad to share what we've discovered about optimization to date through our own experimentation, we also publish case studies and completed tests to facilitate peer-learning from real marketers with real challenges.

To that end, we're always looking to shine a light on your hard work. If you have a success or learning you'd like to share, <u>let us know</u>.