

How to Increase Conversion in 2012

The last 20,000 hours of marketing research distilled into 60 minutes

ABSTRACT

As a marketer, you probably didn't have time to attend every Web clinic we produced this year. Because of that, in this transcript, we've taken the most important experiments from the last year and highlighted them in a single Clinic to give you as much information as possible in a short amount of time.



MarketingExperiments.com



How to Increase Conversion in 2012

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[Note: This document is a transcript of our original Webclinic on [increasing conversion in 2012](#) that aired December 7, 2011. To view the full video replay, [visit our research directory](#).]

Flint McLaughlin: Alright, good afternoon everyone! This is Flint McLaughlin and we are back at another web clinic with the MarketingExperiments team. Today's rather unique. We're going to be looking back on the last 12 months and working together to learn what we have discovered from research study after research study, after research study. We're currently engaged in more than 1,200 various experiments and studies and we're going to be reviewing the last year and all that goes with it. We're going to talk about how to increase conversion in 2012, and in particular what we learned from the last 20,000 hours of research. So, this is going to be a very fast, hard hitting type of clinic. You can use Twitter, that is [#webclinic](#), to communicate with us or others. You can also use the chat feature in order to communicate to us as this whole thing unfolds.

It's interesting for me today because I'm standing in our new studio. If you saw the video that we just produced, we've actually gone to a whole new studio, built inside a green screen room, and we're all experimenting with this new technology. I think we're on top of it. I think it will go smoothly. But, if it does not, somehow, some way it's going to Austin McCraw's fault. And, I'd like to point that out right now, in case you need somebody to insult shortly after the clinic. Austin is...of course I'm teasing, but Austin helps me through many of these things and Luke, our executive producer, is kind of guiding this whole process, and we'll do our best to make it all come together for you.

So, let's begin and drill right down into 20,000 hours of research and to fill it into 60 minutes. I am joined by Jon Powell, who is a senior analyst that's done a lot of research with us. And, we'll look at each of these key pieces as we go forward. Now, gentlemen, I'm not running the slides right now. Either you give me control or you run the slides. Otherwise, I'm going to just keep right on going.

Let's begin with the first experiment. This is test protocol 1214.

TACTIC #1: Craft all messaging around your central value proposition.

**Experiment ID:** *(Protected)***Location:** MarketingExperiments Research Library**Test Protocol Number:** TP1214**Research Notes:**

Background: Well-known news publication offering home delivery services via online registration

Goal: To increase the amount of home delivery subscriptions

Primary research question: Which page/process will generate the most subscriptions?

Test Design: Which page/process will generate the most subscriptions

Dr. Flint McLaughlin: It is a leading software provider. The goal was to increase total leads captured and the primary research question is which process will generate the most leads. And, our approach was to develop a radical re-design of the complete lead generation process, focusing on essentially strengthening the communication of the value proposition. And, so let's look at the first treatment. Are we having some technical difficulties and can I help you with that, gentlemen?

Paul Cheney: Yes, you'll have to cue Luke on when you want to change slides.

Dr. Flint McLaughlin: Alright. Well, Luke, take us onto the experiment background. Again, as we're unfolding this new technology, I've been told I need to cue the producer because of something they're experimenting with here. So, let's go to that particular slide and you'll see the background that I just reviewed, and I'd like to go forward, right to the very first treatment.

Original Ad

[{Keyword} Business Software](#)

Award-Winning Business Software.

Fully Integrated. Free Trial.

www.Netsuite.com/Business

The experiment ran for 18 weeks, testing 16 different ads (control PPC ad above) and observing more than 950,000 unique impressions.

Dr. Flint McGlaughlin: And, that treatment is showing you a [paid search ad](#). If you have not seen this paid search ad, I'd like you to tell me what you might do, as an audience, to help improve the performance of this particular ad. Use Twitter or use chat and tell me changes you would make to this Google page search ad and let's look at it. This is an experiment that ran for 18 weeks, testing 16 different ads, and observing more than 950,000 unique impressions. I'd like to see your first iteration. Take a quick look at that ad. Alright? I want to stay...look right on the first slide showing the ad. There we go. And, audience, tell me some things you'd do to make it better. I'm watching. "Describe the software," someone says. David says, "Include the call to action." Sally says, "Add a word to describe the business, small or large." Pierre says, "There's no clear value proposition." Michael says, "More specific detail about the software." Greg says, "The call to action." Chastity says, "It's missing the value proposition." I'm interested in what you think would be the value proposition. Someone tell me what the goal of this ad is. Quickly! Quickly! Use your chat or your Twitter account. What's the goal of this ad? And, someone's asking questions. It is...Robert, you are correct! It is not to sell a product. It is simply to get a click, and so the value proposition for this ad is not the value proposition of the business. It is competing, not product to product, but ad against ad. And, so we need an ad that will win a click over the other ads that are being viewed by the prospect.

Example Treatments

[{Keyword} Business Solutions](#)

Run Your Entire Business with One System. Accounting + CRM. Free Trial.
www.NetSuite.com/Business-Solutions

[{Keyword} Business Solutions](#)

Support the Entire Company with One Low Cost Solution. NetSuite.
www.NetSuite.com/Business-Solutions

[Business Software Suite](#)

#1 On-Demand. 6459+ World Clients Award-Winning Solution. Free Trial
www.NetSuite.com/BusinessSoftware

[#1 Business Software](#)

6459+ Clients. On-Demand Access. One System for the Entire Company.
www.NetSuite.com/BusinessSoftware

[Small Business Software](#)

6459+ Clients Worldwide Free Trial Software You Won't Outgrow.
www.NetSuite.com/BusinessSoftware

[Small Business Software](#)

Worlds #1 On-Demand Suite. 6459+ Clients. Free Trial Today.
www.NetSuite.com/BusinessSoftware

Dr. Flint McGlaughlin: So, let's go to the next slide and let's take a quick look at what we can learn from that slide. Here, you'll see example treatments that we prepared. These are all various treatments designed to try and improve the response rate of that ad. And, then I'd like to point out for you the winning treatment, Business Software Suite, number one on-demand, 6,459+ world clients, award winning solution, free trial.

Experiment: Results

 **21% increase in clickthrough**
The new ad generated 20.9% more clicks than the original

Original Ad

Best Performing Ad

[{Keyword} Business Software](#)
 Award-Winning Business Software.
 Fully Integrated. Free Trial
www.NetSuite.com/Business



[Business Software Suite](#)
 #1 On-Demand. 6459+ World Clients
 Award-Winning Solution. Free Trial
www.NetSuite.com/BusinessSoftware

If you look at that winning treatment, you'll notice the 21% increase in click-through. That's up from the original ad to the best performing ad, and that's the beginning of a learning that I'd like to see unfold. Is that the highest lift we can achieve with this ad? It is not. Is there a way to get a higher increase? Yes, there is. In fact, we want to talk about something more significant than that, though, because we're moving towards one of the most important points we want to help you learn today from this experiment, and that point will kind of drive all that I'm talking about at present. And, that is that you must craft all of the messaging around your central value proposition. I will explain by taking you to the next piece of this experiment.

Experiment: A holistic testing strategy

The PPC ad test was only part of a testing strategy that involved the entire conversion funnel from the ad to the form page.

[Business Software Suite](#)
 #1 On-Demand. 6459+ World Clients
 Award-Winning Solution. Free Trial
www.NetSuite.com/BusinessSoftware




Dr. Flint McGlaughlin: So, let's move to, there we go, to the next slide. And, you'll see that the paid search ad test was only part of a testing strategy that involves the entire conversion funnel from the ad. There's a form page and there was a reason for this. And, in fact, what we were really doing was trying to optimize each aspect. We were trying to optimize the paid search ad, the landing page and the form. And, if you'll notice what we saw in terms of the results, so it's a 272% increase in overall conversion.



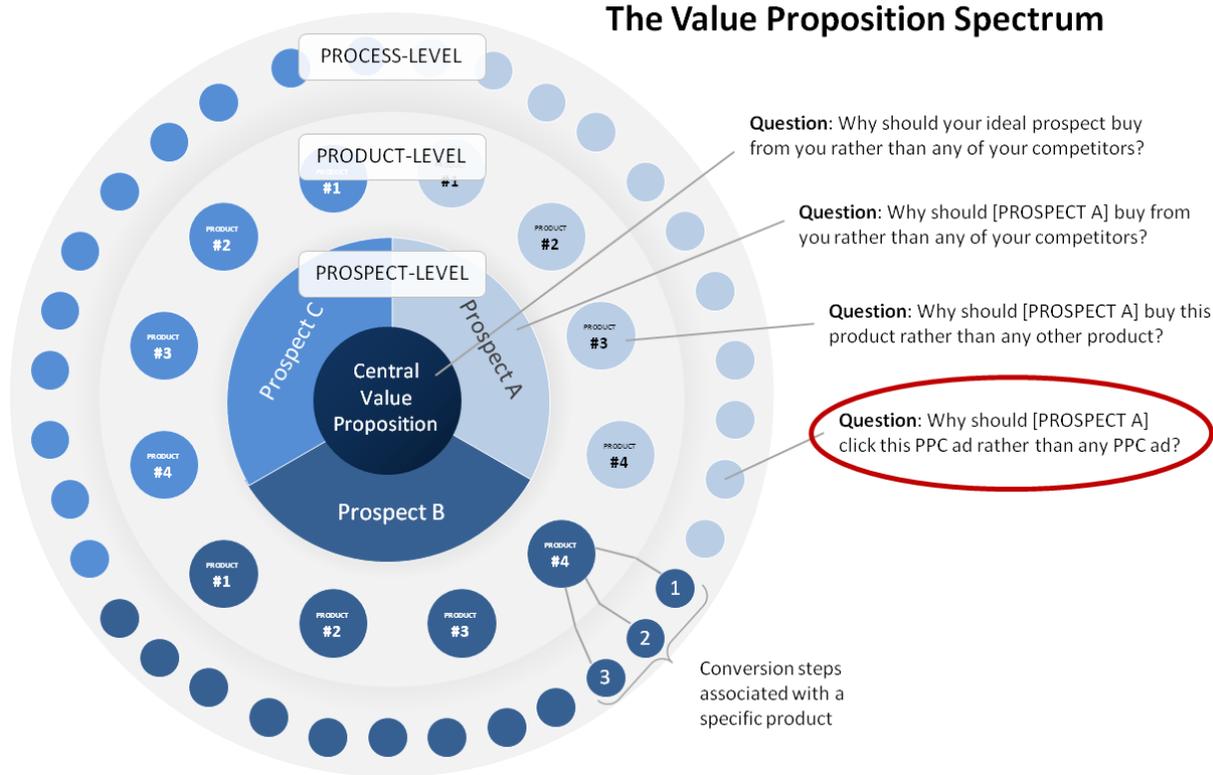
272% increase in overall conversion
The optimized path's conversion rate increased by 272.2%

Metric	Control	Treatment	Relative Difference
PPC Advertisement	0.89%	1.08	20.9%
Landing Page Clickthrough	7.17%	11.06%	54.26%
Form Completion	15.84%	31.25%	97.27%
Impression-to-lead Conversion	.009%	.033%	272.2%

 **What You Need to Understand:** In this experiment, a 272% increase in conversion led to 268% more projected revenue and, when combined with the corresponding 66% reduction in cost-per-acquisition, the optimized path produced more than **four times the monthly profit (302% increase)**.

Dr. Flint McGlaughlin: What happened literally was that in the paid search ad we saw a 21% increase. In the landing page, we saw a 54% increase. And, then on the form, we saw a 97% increase. When you aggregate all of these increases, what you achieve is a 272% increase in conversion and you see a corresponding 66% reduction in CPA, and you see the optimized path producing more than four times the monthly profit. That is a 302% increase, so dramatic gain. And, that gain comes from aggregating an improvement in a series of [derivative value propositions](#). We're going to learn more about that as the process unfolds, but let's look in particular at the next key slide here, and it is a slide that helps explain one of the most important learnings.

The Derivative Value Proposition



Dr. Flint McLaughlin: You've got to get past the basic understanding of the value proposition and get to an understanding of the bigger picture. And, so take a look at the derivative value proposition, and you're going to see a diagram here that might be a bit confusing, but let me unpack it. Again, I am trying to craft 20,000 hours into 60 minutes, so I'll say this and then I'll give you resources to help you understand it in more depth.

At the heart of every business is a central or a core value proposition. It is the answer to a question, why should I purchase from you rather than any of your competitors, and it has a contingency on the front side. If I am the ideal customer, why should I purchase from you rather than any of your competitors? That question drives the entire design of the business. This is a value proposition that should be overseen and protected by the C-suite, and in fact by the founder or the CEO of the organization. Marketing can always influence that. They can typically communicate it more effectively, but we need to understand that there are three other types of value propositions. They connect to the central. We call them the three P's.

There is the prospect level value proposition, and that is a proposition designed to answer that question as it applies to a particular prospect. There is a product level, and that is the value proposition interpreted right down to a specific product. Why should I purchase this product rather than any other, even if it's another on the same site? And, then there is the process level. Most of us are aware that there's some connection between the product and the prospect with regards to our value proposition,

but we've completely missed the process level value propositions. A process value proposition might be to click on a form field and enter information. It might be a button. But, it's all part of the process that helps move someone through the sequence that you offer them, the thought sequence. And, so as we move to the next slide, let's think about the implications of that, because we're moving quickly towards me showing you yet another point. But, I want to make sure that you understand the basis.

Key Principles

1. For every action you desire a visitor to make (a click in the case of PPC), there must be an immediate promise of value that outweighs the cost of that action.
2. Like the Central Value Proposition, the Derivative Proposition of a specific action can be measured by its:
 - **Appeal** – *How much is this offer desired?*
 - **Exclusivity** – *Is this offer (or a better one) available elsewhere?*
 - **Credibility** – *How believable are your claims?*
 - **Clarity** – *How easy is it for the customer to understand?*

Dr. Flint McGlaughlin: For every action you desire a visitor to make, there must be an immediate promise of value that outweighs the cost of the action. Now, that promise of value essentially is connected to a simple formula. By the time I draw that formula...basically, perceived value must outweigh perceived cost. And, what you're trying to do is optimize not a web page, not an email, not even the campaign. What you're trying to optimize is the thought sequence. And, you must get past the page and deep into mind of the person you're interacting with to do so. And, as you do that, what you'll discover is that there are four components. These four components look like key words, perhaps on a slide, but they're much more than that. They are scientific elements and these elements have a huge impact on the success of your campaigns.

The first is appeal. If your general offer has significant appeal, you can often measure that fact, being the first search work in the engines. Remember, the internet is more than a new channel. The internet is a laboratory in which you can test and refine your customer theory. And, every major business, even if they're an existing legacy business, with a huge engineering background, let's say, and billions of dollars in existing revenue, they still would consider the internet as more than a channel. That is a laboratory and what it can do, for instance, is help you define appeal. Now, if you think appeal, I think most of us would recognize that the fourth new value proposition is connected to its appeal. But, what

we may not know is that appeal can be deleted if they don't take account for the exclusivity factor. That is, if there are other options, other ways of satisfying that appeal, then our value proposition's force is diluted. Now, it's not just that point but it's also credibility. I don't mind if you have a value proposition. In fact, it doesn't matter if you have one with remarkable appeal. And, if you have absolute exclusivity, in that process you still do not have credibility. People need to believe your message, and if they don't believe your message it doesn't matter how potent it might be. In fact, having a value proposition is in itself no guarantee of success. The key is being able to articulate it in such a way as to make it credible, which brings me to another critical point. Even if you have the other three, it does you no good if you don't have clarity. Clarity is more or less the foundation of the entire value proposition. It's shocking to me how many companies I've reviewed that don't know how to even communicate their value proposition in a way that's easy to understand. No product, no offer, no reason should be proffered that isn't anchored in a way for someone to visualize, to conceptualize what you're trying to say. So, in some sense, clarity is last on the list, but it's not the least important. Clarity is essential to the process, and all four of these build on each other. First, they need to know what you're trying to say. That's clarity. Then, they need to be able to believe it. That's credibility. Only when you've achieved those two, can you move to the other key components, appeal and exclusivity. Without those four, your value proposition cannot be measured effectively. Without being cognizant of those, you can't predict its impact, and thus the behavior of the people you're trying to reach.

Now, I feel almost frustrated within a little bit of time we're talking about something so significant. But, if you'll look on the next slide, there's a little...there's some more research at that...one of our sister sites, MarketingExperiments.com. This is part of the MECLABS family. You can go there and there's more than \$15 million worth of research, which is no cost. And, you can get this particular report and study it, and learn from it, and it'll talk about this. And, there's more resources about value proposition. All of it's free and it'll help you unpack this concept that I'm trying to more or less present in a very short period of time.

Read more at [<>](http://MarketingExperiments.com/PPCAds)

TACTIC #2: Maintain cognitive momentum in every step of your sales process

Dr. Flint McLaughlin: Keeping that in mind, we're going to move to the next principle, which is simply this. You must maintain cognitive momentum in every step of your sell process. And, in doing so, what you're trying to achieve is vital. This cognitive momentum keeps people from slowing down. Because, we found that as there is a problem in rhythm or cadence, or velocity, conversion starts to be mitigated. Let's look more.



Experiment ID: *(Protected)*

Location: MarketingExperiments Research Library

Test Protocol Number: TP1368

Research Notes:

Background: B2C company offering package vacations. In this test, we focused on improving the checkout process.

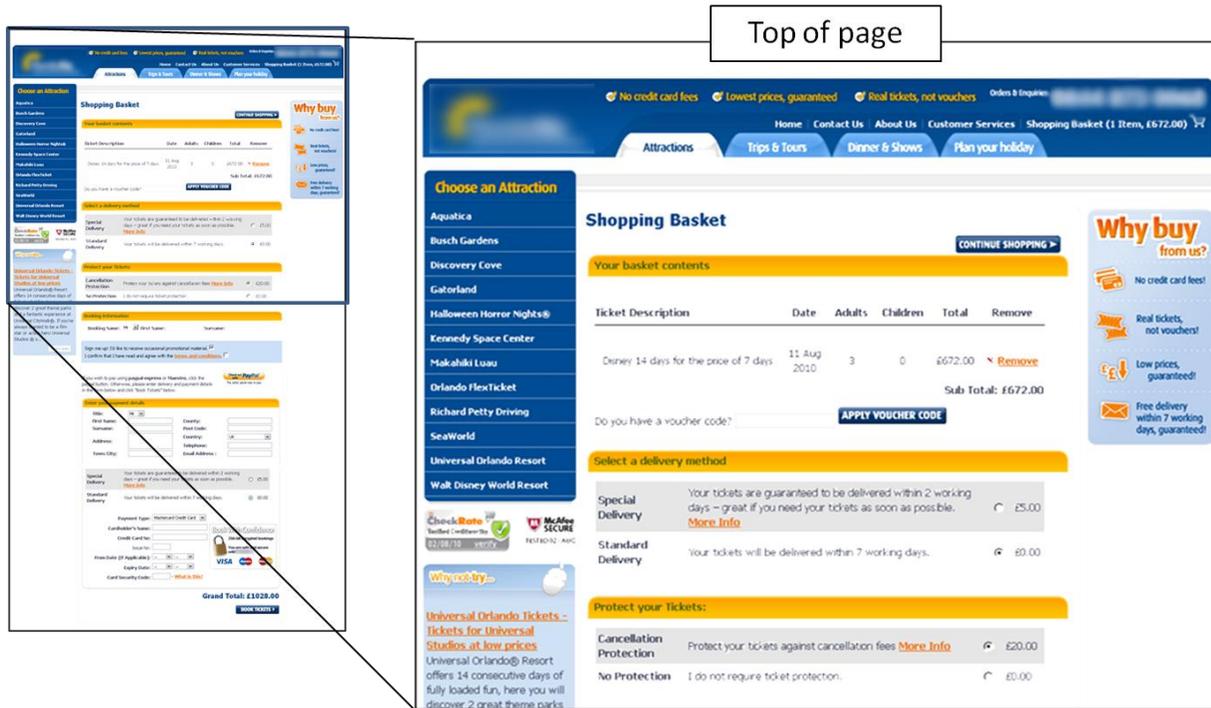
Goal: To increase cart completions

Primary research question: Which cart page will generate the highest completion rate?

Test Design: A/B split test (variable cluster)

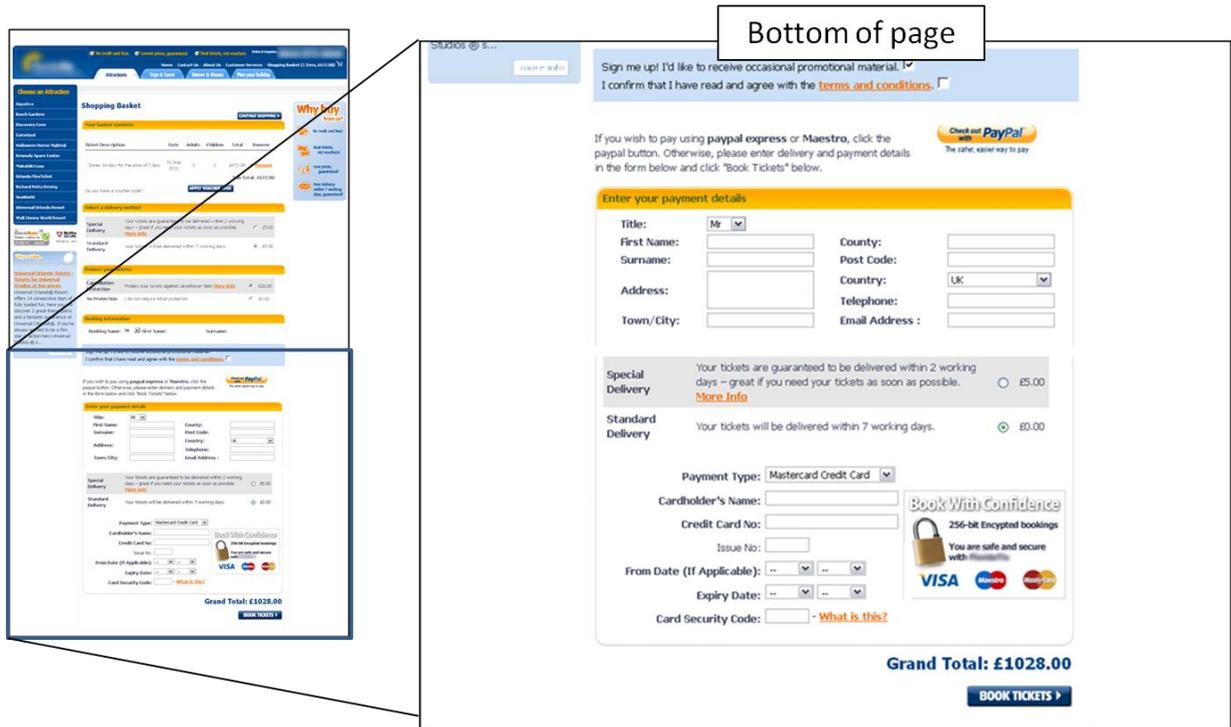
Dr. Flint McLaughlin: Here's an experiment. This is test protocol 1368. This is a B2C company. They're offering package vacations. In this test, we're focused on improving the checkout process. And, let's look what we have to do here, because it's a complicated cart. Many of you have a cart system attached to your website, you're trying to figure out the most effective way to get people through it. It's typical for us to see rates as high as 50% when it comes to abandonment in the average cart. How do you overcome that? Well, it's not just about building a more clever cart. It's not just about increasing choice. It's not just about design. There's something more fundamental that you have to do to get more people to say yes at every single step of the cart. And, let's look at an example by going onto the control.

Experiment: Control (Top)



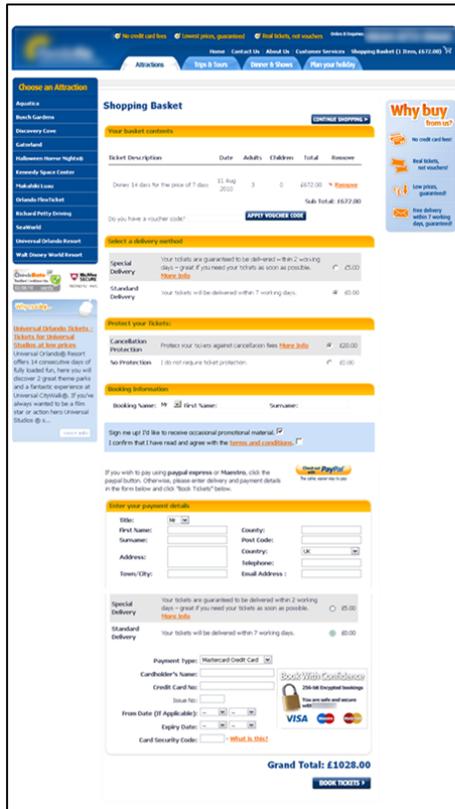
Dr. Flint McLaughlin: So, here's the original. You can see it behind me. It has both initial kind of a top view broken out, and that's what you'll see. It's along the page and we're focused on the top. But, if you look at the top page, you'll see how the cart starts to work itself out. You might see some problems in that cart right now, but let's look at the bottom half. So, take us to the next slide, where we can see the top and the bottom.

Experiment: Control (Bottom)



Dr. Flint McGlaughlin: So, now you should have a sense for what the cart looks like, but of course get further and think about what we might do to improve it. Let's just ask the audience to help us. Look at that cart page and tell us something that you might do to make it more effective. Someone said, "The Buy button is below the fold." Someone said...I'm watching these come in. "That's a description of the subtle, solid header, the yellow header on the page." He's correct. Someone else says, "The images of products." And, I'm just...I'm looking at this screen. You may or may not be able to see it in front of me, with all of your responses. Todd said, "Break it into two pages." Alex says, "Remove the unnecessary fields." Carol says, "Have the call to action at the top and the bottom." Joey says, "We need the navigation from the cart page." "Don't ask extraneous questions," says Pierre. Diana says, "Move Continue Shopping button to the bottom of the page." All of these are excellent ideas! Let drill down and think about it some more. So, let's look at the whole page and we'll look at the control, and then we'll look at some of the optimization strategies you can see four of them.

Experiment: Control

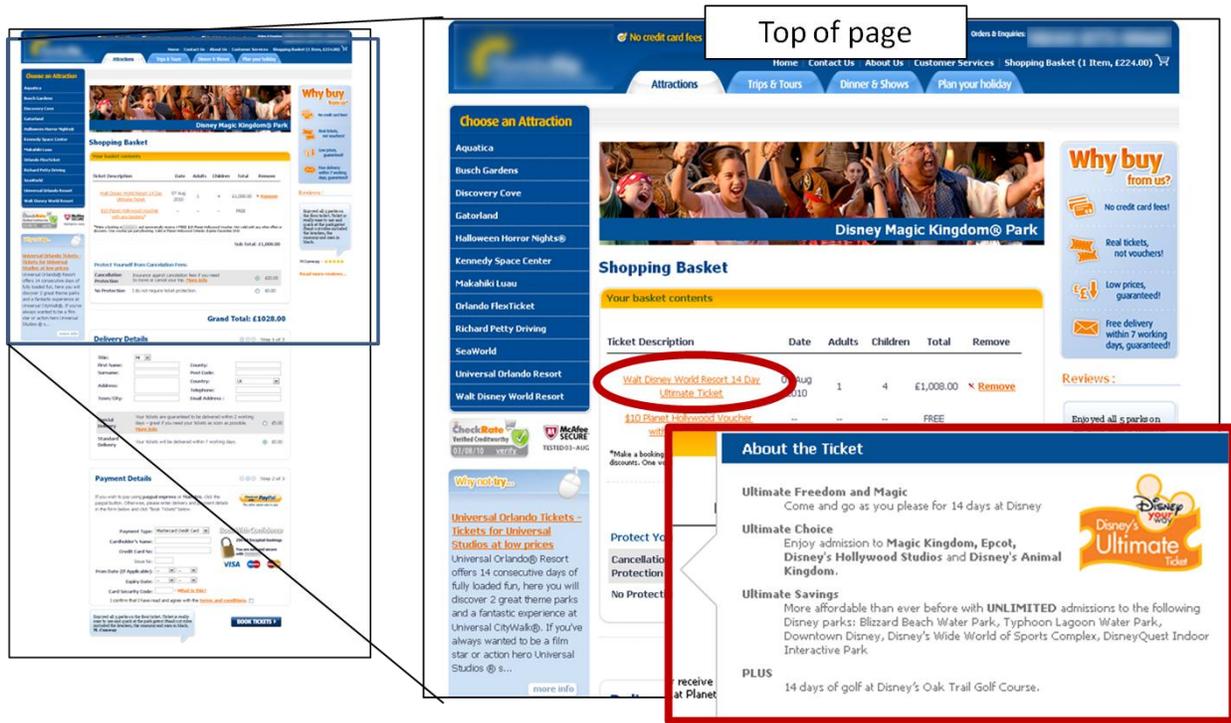


The Control (original) shopping cart is already employing the following key optimization strategies:

1. Reduced as many steps as possible
2. Reduced as many form fields as possible
3. Featured a single main column in a vertical linear eye-path
4. Utilized key third-party anxiety reducers

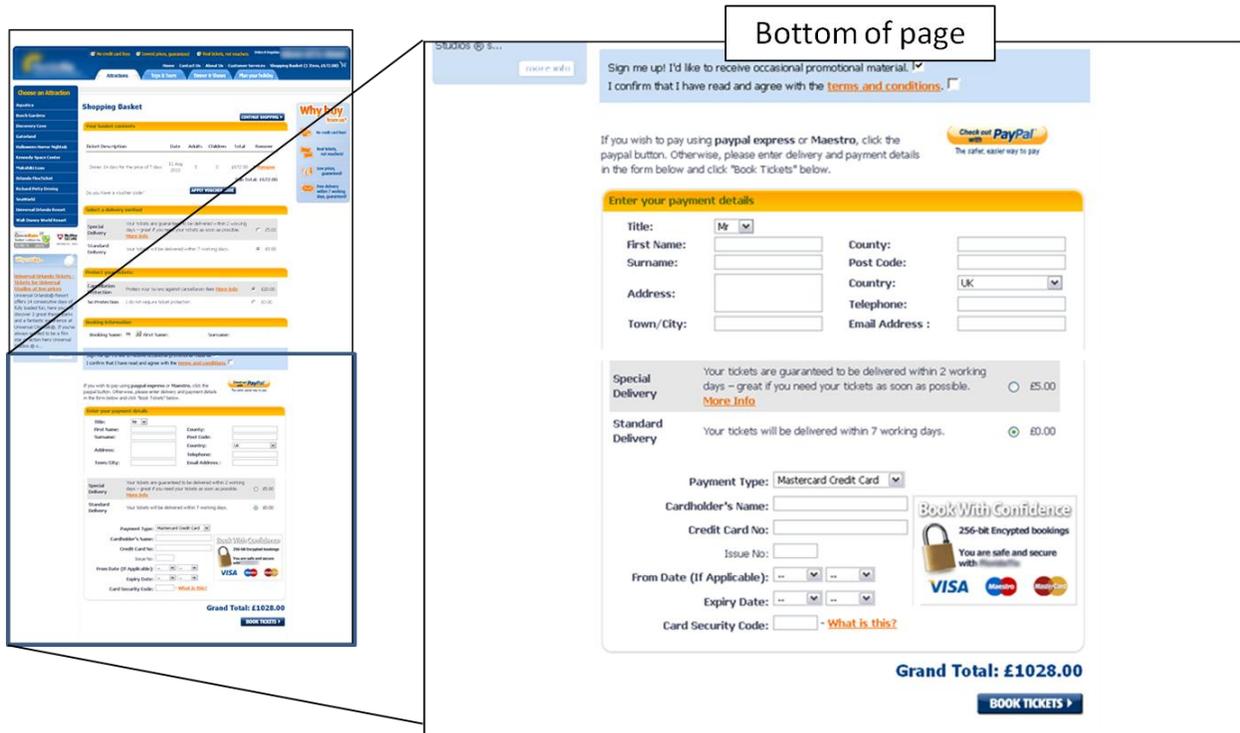
Dr. Flint McLaughlin: One, and that is to reduce as many steps as possible, also to reduce as many form fields as possible, also to fit your kind of single name column in a vertical in your path and then utilize a third-party anxiety reducer, something to reduce the psychological concern associated with certain steps in the cart. All of that's integrated. We'll talk about that in just a moment, but let's go to the next slide.

Experiment: Treatment (Top)



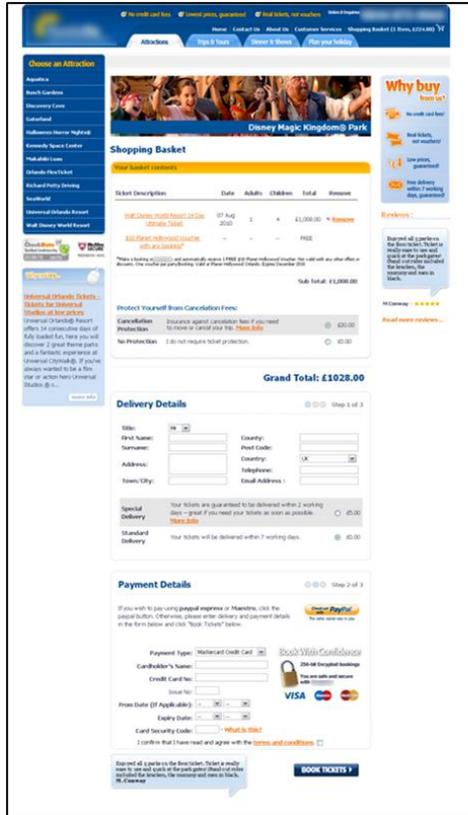
Dr. Flint McLaughlin: As you look at this slide, you should note, more or less, the experimental...you can see the treatment. We started to incorporate those strategies into this treatment. And, so look at the changes highlighted in yellow and let's go a bit further.

Experiment: Treatment (Bottom)



Dr. Flint McLaughlin: Take us...continue through. Alright. Take me to the next slide, if you would, please. And, as you're doing that, you'll see the bottom of the page that's been optimized. Look at the lock and the credibility indicators, and the number of changes in the cart itself. And, let's think about it for just a moment. Let's move on.

Experiment: Treatment



The Treatment shopping cart made a few strategic tweaks in an effort to improve conversion:

1. Removed graphical bars
2. Added image
3. Added pop-up product description
4. Added testimonials
5. Added step indicators

Dr. Flint McLaughlin: So, what you're looking at is we removed the graphical bars. We've added an image. We've added a pop-up product description. We have added testimonials. We've added step indicators. All of these are designed to help generate improvement, but something deeper is going on. See, what (Inaudible) is that you tune into a clinic like this and you hear these particulars, and you focus on the particulars, and in doing so you go back with a list of rules. Optimization is about something deeper than that. It's about understanding the cognitive psychology of the purchase process and it requires you to get underneath the particulars and ask "why." Why make these moves? Not because you heard them on a clinic, not because Dr. Flint McLaughlin...and I'm being facetious...not because Dr. Flint McLaughlin said we should do them, not because you had a committee meeting where you designed the page and the most influential person in the room said do it this way, but because you have a deeper, more fundamental understanding of what's happening in the mind of your customer. We're going to talk about that in just a moment, but let's look at the two treatments side by side.

Experiment: Side-by-side

Control

Treatment

Dr. Flint McLaughlin: Here's the treatments behind me, with the control and the treatment. And, with these two, you can start to imagine the psychological impact of the latter over the former. But, let's look at the marginal improvement we're trying to achieve with these significant but small changes.

So, take us to the results.

Experiment: Results



12% increase in total revenue

The Treatment generated 6.25% more conversions than the Control

Subscription path	CTR	Rel. diff	Stat. Conf
Control	22.63%	-	-
T1 – Single column, dropdown	24.04%	6.25%	 95%

- ✓ **What You Need to Understand:** The new shopping cart outperformed the control by 6%, leading to a total revenue increase of 12% as the change was implemented across the entire website.

Dr. Flint McGlaughlin: You'll notice that this new cart is producing a 12% increase in total revenue. Now, think about that. We often talk about 50% improvements in conversion and 64% improvements in conversion. But when you think about your cart, you're late in the process. And, when you're building and designing experiments, you have to factor in the fact that an improvement here is connected so closely to the P&L that you experience a significant difference immediately. That's 12% more revenue off the same spend! See, we work so hard to get these people into cart. Let's not lose them once they're there. Now, as you're thinking about that, it raises the question. Let's take the learning. Let's go deeper than the case study and ask ourselves the question that'll help us understand how to plan for 2012. So, take me here.

Key Principles

1. Shopping carts are not just a utility. They are the strategic means by which you (the marketer) maintain the forward momentum generated in the conversion process.

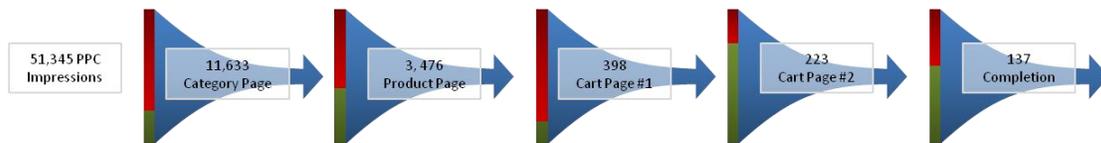
Dr. Flint McGlaughlin: Shopping carts are not just a utility. They are the strategic means by which you maintain the full momentum generated up in the conversion process. Now, I'm pointing that out because I want to ask you a question. Let's go to the next slide.

What do you optimize for in a shopping cart?

Design?



Metrics?



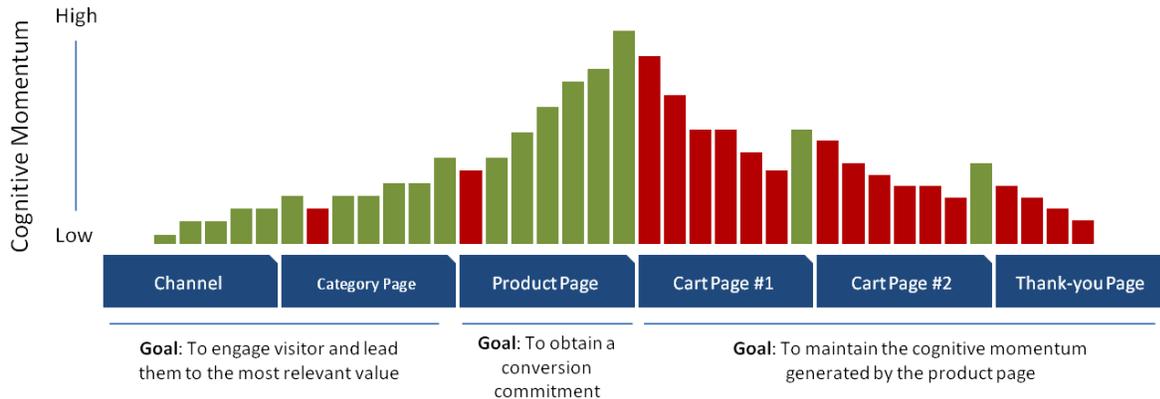
Revenue?



Dr. Flint McLaughlin: So, here's the question. What do you optimize for in a shopping cart? Is it the design? Is it the metrics? Is it revenue? What is the basis? What is the foundation? Often, our optimization is built around a kind of social dynamic. We don't even recognize it. If we were to do action research, if we were to bring in the right cognitive psychologist and turn his or her talent or research inward on the marketer instead of on the customer, what we discover is that in many cases we'll go fix something like this. What's really dominating the process is the social dynamic. It's the fact that you're in a group and that people are commenting, and that influence is being exerted back and forth, and that instead of your optimization process being founded or rooted in that science dynamic, it's actually a social dynamic. But, let's go past that.

If we were to apply science, we need to go beyond even the revenue. We need to go beneath the revenue. We need to think underneath that, about what's happening in the mind of the person interacting with our offer. The overall objective of a shopping cart is to maintain forward momentum.

Cognitive Momentum



The overall objective of a shopping cart is to maintain as much forward momentum as possible from the “product page” to the “thank you” page. The goal is to ensure the visitor satisfies the conversion commitment.

Dr. Flint McLaughlin: We have them in the cart because we assume, and this isn’t always the case, but let’s assume, because it’s the right assumption, that they are in the cart if we’ve done the rest of the work right, on the frontside, because they’re moving towards the purchase. We may have spent \$100 to get them in the cart. If we lose them once they’re in the cart, this is particularly costly. It hurts the P&L. What you need to recognize, and if you look at this diagram you can start to understand that there is a kind of cognitive momentum that’s taking place as they move through the process. And, you’ll see that it peaks at the product page. It peaks where they make that decision. And, the goal on the first page is to engage the visitor, to lead them, to help them understand the value proposition.

And, then the next goal, and this is where it’s climaxing, is to achieve a kind of conversion commitment, a “yes,” what we call the “ultimate yes.” Now, you’re not at the ultimate yes. See, all of marketing is about enforcing a decision and each decision requires them to say yes, and you need a chain, an unbroken chain of yes’s to achieve an ultimate yes, the purchase. It only takes one “no” to arrest the entire process. What’s happening here is we’ve got a yes, yes, yes, yes, and a major yes at the beginning of the cart processes, but the yes’s are not over. They have to say yes to entering that information. They have to say yes to submitting their credit card. They have to say yes all the way through the confirmation page.

And, if for some reason we stop evading the (Inaudible) of the value proposition earlier in the process, before we’ve got the ultimate yes from them, we lose the cognitive momentum in the cart and we’ll lose the opportunity. So, the lesson here is to make certain that we’re maintaining cognitive momentum throughout the process, and there are three, three chief impediments that keep us from being able to actually achieve that.

 **Key Principles**

1. Shopping carts are not just a utility. They are the strategic means by which you (the marketer) maintain the forward momentum generated in the conversion process.
2. **There are three chief impediments to conversion momentum in the shopping cart:**
 - **Assumed Value**
 - **Unaddressed Anxiety**
 - **Directional Void**

Dr. Flint McLaughlin: The first is assumed value. It's a grave mistake. It's believing that we presented enough value in the earlier part of the process that they're automatically going to say yes to every other ask. That costs us every single day. As marketers, we need to realize that today, in fact while you're on this clinic, your company is leaking revenue. In fact, billions of dollars are leaking in our systems because they're not self-optimizing and because we haven't learned how to keep this cognitive momentum taking place all the way through the process. We can't even define our value proposition, much less message it correctly. And, then once we do, we haven't a clue about how to integrate it all the way to the other step, but that's key.

Now, that's one issue that stops us, assumed value, thinking that we've said enough about our value early on. But, if you'll remember the first experiment we looked at, with NetSuite, we got a 97% increase on the lead generation form, 97% more completions in the third step of the process. Why? Because, on that form we embedded the value proposition yet again, giving them enough upwards force to get them through the funnel.

Let's look at the second, which is unaddressed anxiety. This is not recognizing that throughout this process there is anxiety laden at those key points. You control the chronology of the thought sequence with the geography of the page. And, you have to think of this as a linear journey. And, as they're moving through your cart, there are various places, various junctures where anxiety is intensifying. What you have to do is help them say yes. And, to do that, you have to alleviate anxiety. You have to over-correct it. We've taught about that. There are other clinics where you can learn about this. Let me take you to another resource from this year. The link you see on the screen behind me will take you to original research where, again, you can learn about carts and you can take what I've talked about in a just a few minutes and study it in depth.

Read more at MarketingExperiments.com/ShoppingCarts

TACTIC #3: Never underestimate the power of a value-based headline

Dr. Flint McLaughlin: This brings us to the next point. This is the next tactic. Before I go any further, I'm standing in the studio and it's new. I've got this green room and it's so green I don't know what to do. It's like I can't tell where the walls and the floor are. And, I have people staring at me through the window. It's like I'm in a fish bowl. And, I'm trapped in here with Paul and I'm not sure if Paul really likes me, but I feel a bit claustrophobic. He's been throwing things at me as I'm talking. And, Jon Powell is standing by and we're trying really hard to deliver value. We know that your time is precious and we also are excited...we spent a year. We've spent 20,000 hours trying to learn more and communicate it to you. Can you give me quick feedback before I go any further? Is this working? Is this helping you? And, if you missed the link, ask us and we'll do our best. I'm seeing some of your comments coming in right now. I'm reading them because I want to...I'm trying to self-optimize and make sure I'm not going too fast, too slow, that you're getting everything you need. I watched your input and I'll quickly shift over and move to this next point.

Tactic three, never underestimate the power of a value-based headline. I learned something in this experiment. It's really interesting. It's going to start out sounding very, "Oh, of course. Yeah, that's better. You reduced friction." But, don't sell it short. It's what we learned after that that's interesting. Let me begin by giving the background.



Experiment ID: *(protected)*

Location: MarketingExperiments Research Library

Test Protocol Number: TP1111

Research Notes:

Background: A survey company offering to pay its members to take surveys

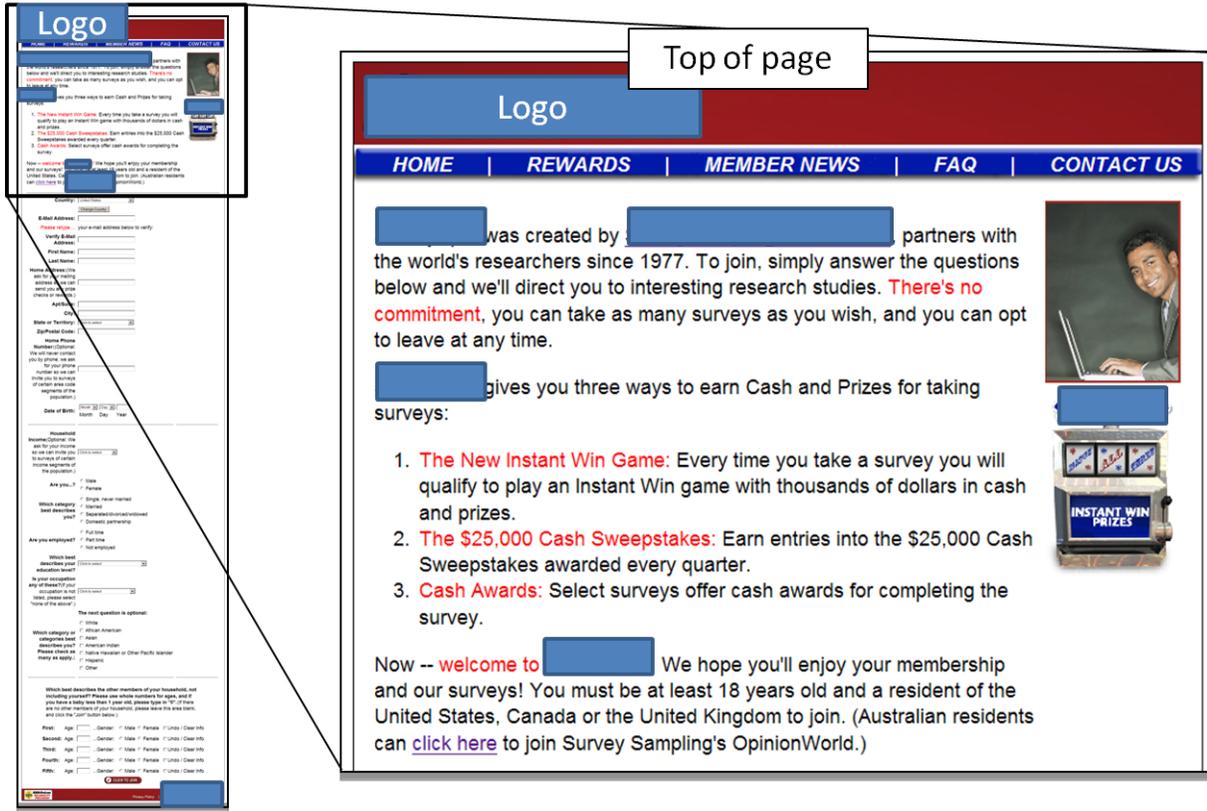
Goal: To increase qualified survey panelist registrations

Primary Research Question: Which panelist registration page will have a higher conversion rate?

Approach: A/B multifactor split test

Dr. Flint McLaughlin: You can see behind me this is another case study, test protocol 1111, and the goal is to increase qualified survey panelist registrations. And, the bottom line is which process, which path will produce the highest lift? So, let's look at the treatment, or the control.

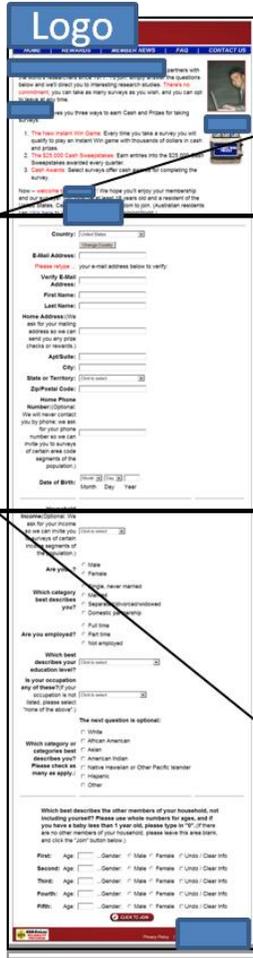
Experiment Control:



Dr. Flint McLaughlin: The page you see now is the experimental control. You'll see a lot of blue boxes. The boxes are our attempt to anonymize the control. You see behind me, with, you know, the basic flow. Don't worry about the blue boxes, but get a sense and think about this page and ask yourself how effective it might be. While you're looking at that...by the way, I see a chat that came in from Scott. It says, "Ouch!" Scott, you're right. Scott, tell me what's wrong with this page. In fact, any of you on the chat right now, tell us how you'd fix this page. Give us some quick input. "No headline." David, you're absolutely right! That's coming up. You nailed it. Micheal, "The long form." Yes, it is long. As you can tell, we're looking only at the top of the page in the big graphic and the long piece here helps us understand how it's...how long it really is, as we're moving through. In fact...but, Paul, are you directing these [slides]?

Paul: I am.

Dr. Flint McLaughlin: Okay, so just move us right...yeah, let them kind of see. He might go up and down a couple of times, but help him get a sense of the length of this, and I'm listening to you.



Middle of page

Country:

E-Mail Address:

Please retype ... your e-mail address below to verify:

Verify E-Mail Address:

First Name:

Last Name:

Home Address:(We ask for your mailing address so we can send you any prize checks or rewards.)

Apt/Suite:

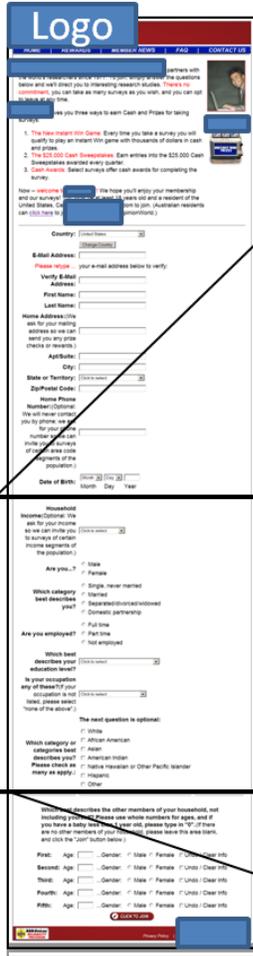
City:

State or Territory:

Zip/Postal Code:

Home Phone Number:(Optional: We will never contact you by phone; we ask for your phone number so we can invite you to surveys of certain area code segments of the population.)

Date of Birth:



Middle of page

Household Income (Optional: We ask for your income so we can invite you to surveys of certain income segments of the population.)

Are you...?

Which category best describes you?

Are you employed?

Which best describes your education level?

Is your occupation any of these? (if your occupation is not listed, please select "none of the above".)

The next question is optional:

Which category or categories best describes you? Please check as many as apply.:

Click to select

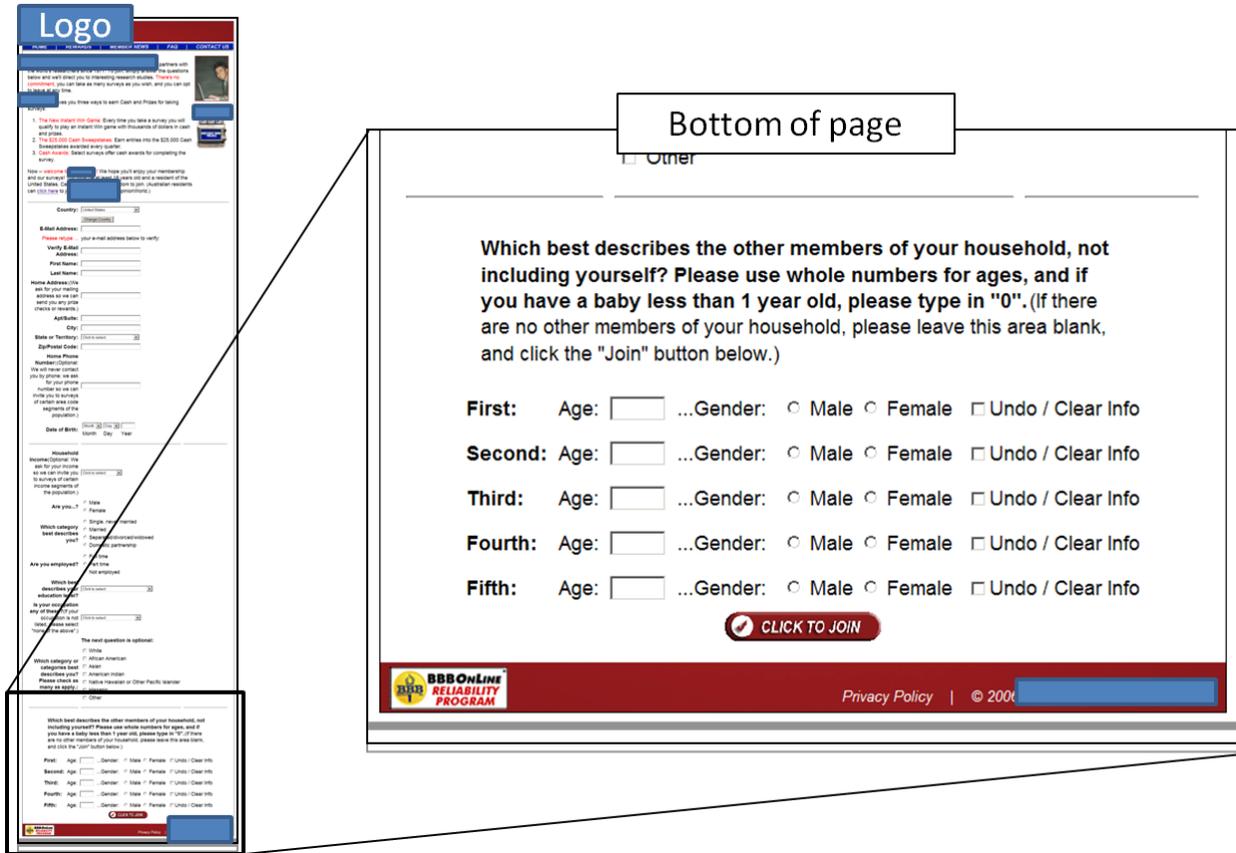
- Male
- Female
- Single, never married
- Married
- Separated/divorced/widowed
- Domestic partnership

- Full time
- Part time
- Not employed

Click to select

Click to select

- White
- African American
- Asian
- American Indian
- Native Hawaiian or Other Pacific Islander
- Hispanic
- Other



Dr. Flint McLaughlin: Phillip says, “It’s ugly.” Someone says, “The floor of the page is disjointed.” Master has four to six steps. That’s what we need. And, someone says, “It’s just poor overall design.” And, Matt says, “Buy me dinner before taking me to bed.” Matt, I don’t know who’d want to go to bed with you. I don’t know about the dinner part. But, hey, you’ve been in other clinics and you’re right. That...I think that’s Matt’s way of reminding us that in effect we’re asking for too much too soon, and that’s a critical process in understanding...and that’s a critical principle in understanding the thought sequence as it unfolds.

The screenshot shows a registration form for a survey service. At the top, there is a navigation bar with links for HOME, REWARDS, MEMBER NEWS, FAQ, and CONTACT US. The main content area includes a welcome message, a list of three ways to earn cash and prizes (Instant Win Game, Cash Sweepstakes, and Cash Awards), and a registration form. The form includes fields for Country (set to United States), E-Mail Address (with a verification step), First Name, Last Name, and Home Address. There are also checkboxes for gender and age, and a 'CLICK TO JOIN' button at the bottom.

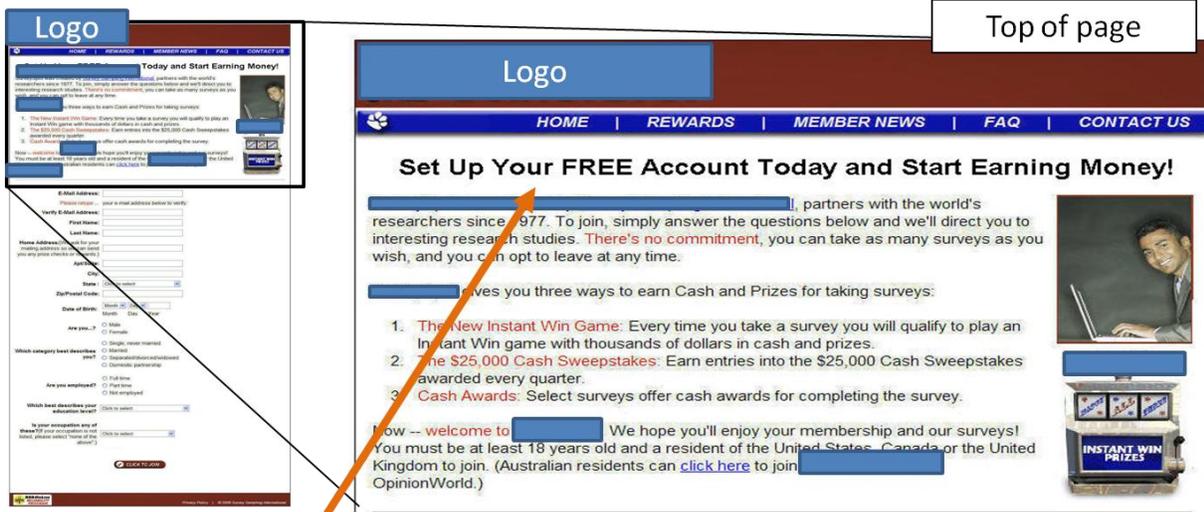
Conversion Heuristic:

$$C = 4m + 3v + 2(i-f) - 2a$$

- Using our conversion methodologies, we identified the following potential areas for improving conversion:
 1. Reduce **Friction (f)** by shortening the length of the registration form.
 2. Clarify the expression of the **Value Proposition (v)** by adding a clear headline.

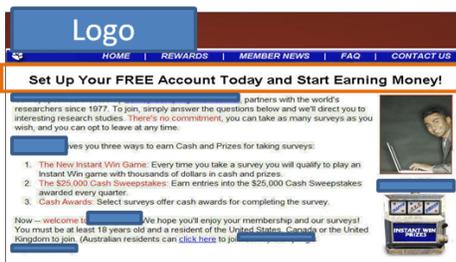
Dr. Flint McLaughlin: So, let's think about it now as we get...as analysts. We applied the conversion heuristic, the conversion sequence that you've heard about over and over again these years, $C = 4m + 3v + 2(i - f) - 2a$. We analyzed the problem, psychology process. We decided to reduce friction. That's a negative inhibitor. And, we decided to increase the value proposition, which is essentially getting the perceived value crystal clear. We needed four elements. We needed clarity. We needed credibility. We need appeal and exclusivity in the way we express the value proposition. Every value proposition must have an only factor.

Experiment Treatment:



- New headline added to clarify the value proposition

Dr. Flint McLaughlin: Let's then go a step further here and take a look at the actual correction a bit more. The first thing you see is the headline. Now, this new headline was added to clarify the value proposition. Is it a good one? No. No. In fact, there's a headline test coming up. But we agree, it's still a headline. Keep going, Paul. Take us to the next slide.



ID	Headline
HL1	Set Up Your FREE Account Today and Start Earning Money!
HL2	Get Paid to Take FREE Surveys
HL3	Take Online Surveys From Home and Win Cash & Prizes
HL4	Get Paid to Fill Out Online Surveys
HL5	Surveys – Quick, Easy and FREE
HL6	Join the [Company Name] Community and Have Your Opinions Count
HL7	Win Cash & Prizes for Online Surveys
HL8	Get Rewarded for Your Opinion
HL9	You're Invited to Join the [Company Name] Community and to Earn Rewards For Your Opinions
HL10	Here's Your First Survey, and an Invitation to Join Our Research Community

- Due to the level of traffic this page received, we were able to test 10 different possible headlines for this offer.

Dr. Flint McLaughlin: So, I am looking at a series of treatments. These are headlines 2 through 10, testing against the control. And, so take a look at these. And, by the way, I'm being told through the window that I have to keep moving sideways in the studio. Austin keeps...it looks like he's doing a hula dance outside the window. They want me further, but I can't see my notes from over here, gentlemen. Anyway, take a look at the headlines because we learned something really remarkable about this. So, in a sense, we reduced friction in the headline. Take us on, Paul.

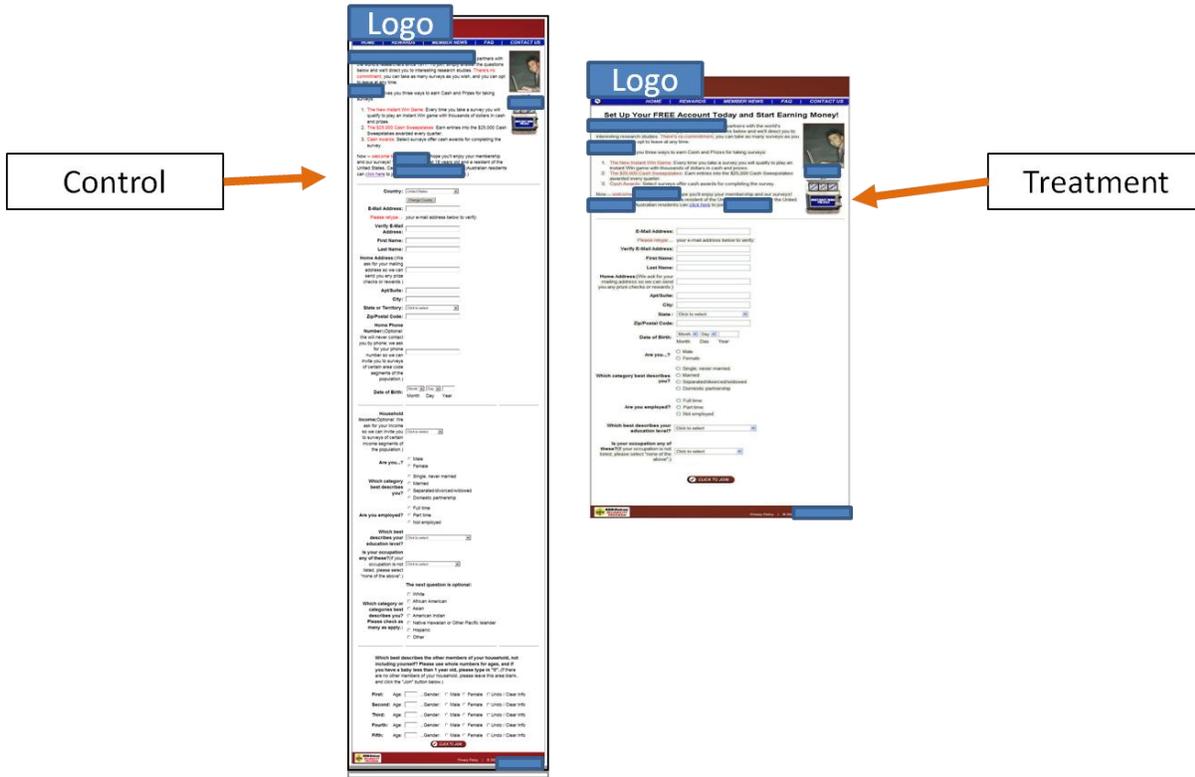
The image shows two versions of a registration form. The left version is a screenshot of a website with a 'Logo' and a 'Set Up Your FREE Account Today and Start Earning Money!' headline. The right version is a simplified form with 15 fields. An orange arrow points from the text on the right to the 'Home Address' field in the simplified form.

E-Mail Address:
 Please retype... your e-mail address below to verify.
Verify E-Mail Address:
First Name:
Last Name:
Home Address: (We ask for your mailing address so we can send you any prize checks or rewards.)
Apt/Suite:
City:
State:
Zip/Postal Code:
Date of Birth:
Are you...?
 Male
 Female
 Single, never married
 Married
 Separated/divorced/widowed
 Domestic partnership
Which category best describes you?
 Full time
 Part time
 Not employed
Which best describes your education level?
Is your occupation any of these? (If your occupation is not listed, please select "none of the above")

- We also reduced the amount of the required forms from 24 to 15, significantly decreasing the perceived length of the form.

Dr. Flint McLaughlin: As we did that, you can see that we moved the form fields from 24 to 15. Now, I just want to stop there. I remember working on a project with the New York Times seven years ago, where it took 18 pages to sign up. Eighteen pages! In the early years, we weren't even cognizant of the fact that all of those extra steps caused trouble. And, yet today, many companies still don't get it. I was on the phone today with a major publisher, one of the largest publishers in the world. I'm looking at a process that's so convoluted I don't even understand it. And, I have someone say to me on the phone, from the other side, and they're great people. They're trying to improve this. These are marketers trying to fix a problem that's been created really with a development-based approach to marketing. Technology is a function of marketing. Think about that. We could talk about it in a different clinic. But, they didn't have that problem. Marketing is serving technology. And, in this case, they said they have people who actually part way through the process are asking for refunds and their money back, and saying they're lost and they don't understand. They're being overwhelmed with friction. Most of the time, they have realized that the number of form fields should be reduced. When we first started talking about this, people were surprised. Today, it's common. But, what's interesting about this experiment goes past our understanding of friction. Let's move on quickly.

Experiment Side-by-side:



Dr. Flint McLaughlin: So, if you're looking at the next slide, you'll see the control and the treatment. You'll see the treatment is shorter and there is a headline involved. Let's quickly go to the results.

Experiment Results:



10% increase in registrations

The new page design improved the conversion rate by 10.44%

	CR	Rel. Diff.
Control	26.04%	-
Treatment (Highest Performing)	28.76%	10.44%

 **What You Need to Understand:** By focusing on reducing the length of the form, and strengthening the value through a clear headline, we were able to generate 10.44% more registrations.

Dr. Flint McLaughlin: Predicatively, I don't think it's a shock, we see a 10% increase in registrations. Now, we can talk about how to improve that more and how we improved it more, but it's really...this is not a session about bragging, about how big our lists are. It doesn't do any good if you come out thinking the scientists at MarketingExperiments are so clever. You need to come away from this time on the phone and on the net together with ideas that you could take back and apply immediately into your own situation, into your own context. We want you to get results. So, think with us a bit deeper, because here's what's intriguing...

ID	Headline Tested	CR	Rel. Diff.
XX	Control (No Headline)	26.04%	-
XX	[Headline Hidden]	26.81%	2.95%
XX	[Headline Hidden]	26.92%	3.36%
XX	[Headline Hidden]	27.14%	4.24%
XX	[Headline Hidden]	27.35%	5.03%
XX	[Headline Hidden]	27.37%	5.12%
XX	[Headline Hidden]	27.52%	5.67%
XX	[Headline Hidden]	27.92%	7.23%
XX	[Headline Hidden]	27.98%	7.46%
XX	[Headline Hidden]	27.98%	7.46%
XX	[Headline Hidden]	28.76%	10.44%

Notice the difference in conversion made by the headline alone.

Results: Sorted by relative difference in conversion

Dr. Flint McGlaughlin: As we started studying the results, we were surprised to see some of the treatments perform significantly better than others. This revealed that the distance in conversion came, not necessarily from the form field reduction, but from a change in the headline.

So, first we add a no headline version, and we saw that. Then, you've got an initial headline, and then a series of headlines. Look on the right-hand side and notice the difference in conversion rate by the headline alone. This is just from the headline and there's a sweeping difference. It ranges from a low of 2.95% to a high of 10.44%, which is remarkable! What's going on here? Let's look a little bit deeper.

? Which headline do you think generated the most response? Why?

ID	Headline Tested
HL1	Set Up Your FREE Account Today and Start Earning Money!
HL2	Get Paid to Take FREE Surveys
HL3	Take Online Surveys From Home and Win Cash & Prizes
HL4	Get Paid to Fill Out Online Surveys
HL5	Surveys – Quick, Easy and FREE
HL6	Join the [Company Name] Community and Have Your Opinions Count
HL7	Win Cash & Prizes for Online Surveys
HL8	Get Rewarded for Your Opinion
HL9	You're Invited to Join the [Company Name] Community and to Earn Rewards For Your Opinions
HL10	Here's Your First Survey, and an Invitation to Join Our Research Community

Dr. Flint McGlaughlin: What we discovered was that there is a pattern in those headlines that had the highest response. Audience, study this. Talk to me. Marketers, tell me what you think about these headlines, or read them and let's guess which one do you think produced the highest lift. I'm going to watch your votes. So, I'm going to walk over, off my marker that I'm supposed to stand on. I'm thumbing my nose at the production team, when that's the way I can read your responses. And, Jeff says, "Eight." And, Lenny says, "Two." And, and Steven says, "Six or eight." And, Gary says, "Two." Robert says, "Two." Someone says, "Four," I see another four, a two, a seven. It looks like Carol believes it's a six. And, Rhonda thinks it's a three. And, Jeff says, "It's a 10." Marketers, just think about this for a moment. I've got to move on. This isn't in my notes. I'm going to run out of time. But, what would happen if we had Jeff and Rhonda, and many of these that I just talked about be here, sitting at a table, trying to write a headline? You could see that they all have a difference of opinion, and there's nothing wrong with that. There's nothing wrong with a difference of opinion. The problem is if you build your marketing optimization program around a social dynamic instead of a science dynamic, you'll never get to the bottom line because none of us are good enough.

I'd like to tell you, if I've learned anything in the last 15 years of research, it's this. There are no expert marketers, so only experienced marketers and expert testers. Experienced marketers can go on their experience and they gain some insight. I mean, they have cutting recognition unfolding, but they're not really expert, and I'll tell you why, because a marketer is constantly trying to predict human behavior, and human beings are a mystery. If you don't believe that, look at all of the wonderful models in game theory and see how they failed to predict the economic disaster we've been living in. Game theory and many of the key axioms and components that work out in our perfect models are constantly being sabotaged by the reality of human nature.

And, as marketers, we can't always know. We just can't. I don't have to be an expert marketer and neither do you, nor...listen, I say this to you if you're a leader, nor do you as a leader, Mr. CMO, have to be...well pretend that you're an expert marketer. None of us are. We may have some experienced marketers, but can become expert testers because testing is a skill and it doesn't depend on the nature and behavior of human beings nearly as much as your projection here about which headline will work. So, as you think about that, let's learn some more about these headlines.

ID#	Headline Tested	CR	Rel. Diff.
HL1	Set Up Your FREE Account Today and Start Earning Money!	27.35%	5.03%
HL2	Get Paid to Take FREE Surveys	28.76%	10.44%
HL3	Take Online Surveys From Home and Win Cash & Prizes	26.81%	2.95%
HL4	Get Paid to Fill Out Online Surveys	27.98%	7.46%
HL5	Surveys – Quick, Easy and FREE	27.52%	5.67%
HL6	Join the [Company Name] Community and Have Your Opinions Count	26.92%	3.36%
HL7	Win Cash & Prizes for Online Surveys	27.37%	5.12%
HL8	Get Rewarded for Your Opinion	27.92%	7.23%
HL9	You're Invited to Join the [Company Name] Community and to Earn Rewards For Your Opinions	27.14%	4.24%
HL10	Here's Your First Survey, and an Invitation to Join Our Research Community	28.35%	8.87%

***Why did this headline outperform the others?
Do you see any patterns in the best-performing headlines?***

Dr. Flint McLaughlin: Here we go. In the front of us is the headline that won. Everyone here that voted for headline 2, give yourself a 10% raise. Let your boss know that we approved it here at MECLABS and celebrate the victory!

Get paid to take free surveys, because it's a 10.44% lift, which is substantially higher than all of the other headlines. Now, that's not all. There's more to be said about this. Jeffrey...Jeff, I'm not going to read your last name. Jeffrey, say it again. I am the man! I told you what that means, Jeffrey. I take it that means that you voted for number 2. Congratulations! Let's think deeper though, because there are two

principles to remember when crafting a headline and we're going to see it with some of this data a little bit further. There's more. I have asked and I can't do it now, perhaps in another clinic. I was asked to comment on a statement I made in one of our internal meetings, and that is everything you need to know about marketing can be learned by simply crafting proper headlines. The very basic principles of human nature, how you appeal to human nature, the essence of the value proposition, the calculation of perceived value and of perceived cost, all of these processes come to play when we start to think about headlines. And, if you break a headline down into its basic grammar, its modifiers and its nouns, it's subject and it's predicate. You can learn almost everything you need to know about marketing. Right now we can't do that, but we learned a lot from this headline, so let's just think.

Key Principle

There are two primary principles to remember when crafting a headline:

PRINCIPLE #1: All marketing messages must be centered primarily on the interests of the customer. Therefore, when it comes to crafting headlines, emphasize what the visitor gets rather than what they must do.

Dr. Flint McGlaughlin: Here's the principle. All marketing messages must be centered primarily on the interest of the customer. Wait a second. We all know that. We think we know it, but we don't operate that way. At the heart of so many failed pages is the agenda of the marketing team. The widget that created the flash presentation that has to be there, the other options were generated by another party, the political compromise that became the landing page is not designed with the interest of a prospect in mind. Therefore, when it comes to crafting headlines, you must emphasize what the visitor gets rather than what they must do. Now, I want to stop for a second because there's a lot more I want to say about headlines. And, if you've heard my other teaching on this subject, I have said to you that a headline is only and not more than a pickup line. I've explained how it works. Its job is to get you into conversation. That's what a headline is. We could talk about that. I could illustrate that. I can't. I don't have time. But, we have taught about it in our other clinics, and if you want to know which clinics send us a note and we'll connect you with the proper research, but let's move on.

ID#	Headlines Tested	CR	Rel. Diff.
HL3	Get Paid to Take FREE Surveys	28.76%	10.44%
HL11	Here's Your First Survey, and an Invitation to Join Our Research Community	28.35%	8.87%
HL5	Get Paid to Fill Out Online Surveys	27.98%	7.46%
HL9	Get Rewarded for Your Opinion	27.92%	7.23%
HL6	Surveys – Quick, Easy and FREE	27.52%	5.67%
HL8	Win Cash & Prizes for Online Surveys	27.37%	5.12%
HL2	Set Up Your FREE Account Today and Start Earning Money!	27.35%	5.03%
HL10	You're Invited to Join the [CompanyName] Community and to Earn Rewards For Your Opinions	27.14%	4.24%
HL7	Join the [CompanyName] Community and Have Your Opinions Count	26.92%	3.36%
HL4	Take Online Surveys From Home and Win Cash & Prizes	26.81%	2.95%

- The highest performing headlines focus on what the potential registration will get (i.e., *value-centric*).
- The lowest performing headlines focus on what the potential registration has to do. (i.e., *action-centric*).

Results: Sorted by relative difference in conversion

Dr. Flint McLaughlin: Let's look at the data set again. Look behind me and you'll see a particular pattern emerging in the way these headlines are structured. If you'll see in green, you'll see that we've re-organized this list so that we put it in descending order, and in the descending order we've zero'd in on those headlines that are producing the highest possible yield. So, in this role, HL3...wait a second. Why is it called HL3? I thought it was HL2 before?

Paul: It's a typo.

Dr. Flint McLaughlin: It is a typo. I've started to say, Jeffrey, that you are no longer the man. But, guess what? You are still the man!

Paul: Sure!

Dr. Flint McLaughlin: It's just that we, here at MECLABS, have multiplied incompetence on all sides, and I'm sure the typo is mine. It is HL2, but look at the order. You'll see that as you roll down this page, those headlines that are highest performing focus on what you will get. In fact, three of them begin with the word get and the other three imply the word get, for instance "win." All of this is focusing on what you achieve, what you receive. And, in doing that, it's immediately connecting with a self-interest factor. Those headlines which perform less all have a different structure. Otherwise, when you look at a headline, you just say point first or point last. If you don't know what I mean about that, check out our clinic on copywriting, where we talk about point first, point last.

 **Key Principles**

There are two primary principles to remember when crafting a headline:

PRINCIPLE #1: All marketing messages must be centered primarily on the interests of the customer. Therefore, when it comes to crafting headlines, emphasize what the visitor gets rather than what they must do.

PRINCIPLE #2: The goal of a headline is similar to the goal of the opening scene of a movie – to arrest the visitors attention and get them into the first paragraph. Therefore, utilize a “point-first” structure (i.e., place the value at the front of the headline).

Dr. Flint McGlaughlin: For now, the great take-away from this can be seen on the next slide, when we symbolize with a key principle, and that is the goal of the headline is similar to the goal of the opening scene in a movie. It's to arrest the visitor's attention and get them into the first paragraph. It's to...it's the pickup line that drives them into conversation and opens them up to dialogue. So, you need a point first structure and on the front set of that headline you need to emphasize what they get, not what you want them to do.

Let's move on and you'll see behind me a whole clinic on headlines with more research and more content that will help you through thinking about how to write more effective headlines.

Read more at MarketingExperiments.com/Headlines...

TACTIC #4: Use testing as a means of developing your customer theory

Dr. Flint McGlaughlin: I'm on the last tactic. You've been doing well with me. I'm checking my time and we have about 14 minutes to invest together. Let's take those 14 minutes and pack them with this final round of content. I am on the fourth principle and it is this, use testing not simply to get a list but to get a learning. Essentially, use testing as a means of developing a customer theory. Now, if I have the moment here, I would draw, and if I had a white board in front of me, I would draw and I would simply say to you that the way we perceive of and the way we've utilized the idea of the sales and marketing funnel is flawed. Nothing falls into your funnel. People are falling out. Gravity is not your friend. Gravity is not working for you. Gravity is working against you. If you were to put the traditional funnel inverted, flip it upside down, you get closer to reality because more people are falling out than are

coming in. You need a way to drive them up the funnel. And, the force, the organic, natural force of this world is driving them out, interruptions, problems, competing offers. All of those factors drive people out of your funnel.

The force that propels them upward one list at a time, one step at a time is of course the value proposition, not just the core but the derivatives. We looked at from the product, the prospect and the process level. At the top of that inverted funnel is an understanding, is the customer, because a series of micro yes's lead to an ultimate yes, and the ultimate yes is the purchase. At the top of that funnel is the customer and what you need to be doing is understanding two things. Marketers, listen to me. You don't have a website. It's not a site. It's a not a web. And, certainly not a page. You can't crumple it up. You can't cut it with a pair of scissors. You can't light it on fire. What you have is a series of 0s and 1s that create an illusion, and that illusion is designed to help you, the marketer, have a conversation, interact with someone else, get inside their mind and talk with them. For that to happen, you've got to understand what they're thinking. So, at the top of that inverted funnel is the customer theory and it informs you as to what they're thinking and allows you to predict their behavior, and the difference between a remarkable company and so-so company, the difference between Apple and so many others is a deep, fundamental understanding of what the customer really wants. Once you know what the customer wants, you can predict their behavior, and that is the key to success. So, you need to know two things, what they want, and then you need to know basically the micro path that they take to get it, all of those micro yes's. That means your funnel has multiple sides and on each side is one of those paths. So, let's think about that now as we look at this next slide.

Now, Paul is taking this, and apparently I'm supposed to tell you about our next web clinic. We're going to talk about one company. Yeah, I'm on a roll, Paul.

Paul: Sorry. Sorry.

Dr. Flint McLaughlin: I'm getting there. You told me to promote a clinic. Okay, we have a clinic coming up! It's on the slide! It's going to be...I think I'm doing good.

Paul: It will be.

Dr. Flint McLaughlin: I'm always busy either way. That's coming up and we want you to know about it. So, if it's of interest to you, you can register up. Many times, people can't get onto these calls because we max out at 1,000 seats. So, you know when to register and get involved as fast as you can. I'm going to move on.

Here is...yes...okay. I've got more. Alright, just surprise me with this.

Paul: Absolutely!

Dr. Flint McLaughlin: If you would like to become a research of MECLABS, call the man in front of me. He's guaranteed to increase your conversion rate by 600%. I'll give you Paul's home phone number and if you don't get a 600% conversion, you can call him 24 hours a day. He will come to your house and he'll guarantee a conversion rate. Also, if you're single and are having a problem with the dating sites,

Paul will optimize your...I don't know what you call those sites, but your dating website application form. Just, the truth is really for partners to conduct research within the field, test their ideas. You can see the form. Go there. And, if we can help you, we've got...we're always looking for the right partner. Let's move on.

Experiment Background:



Experiment ID: *RegOnline Homepage Test*

Location: MarketingExperiments Research Library

Test Protocol Number: TP1427

Research Notes:

Background: RegOnline is event management software that lets users create online registration forms and event websites to manage their events

Goal: To increase number of completed leads on homepage

Primary Research Question: Which page will achieve the greatest addressable lead rate?

Approach: A/B multifactor split test

Dr. Flint McLaughlin: Alright, that's the protocol. It is test protocol 1427. Think about that inverted funnel with multiple sides, the path of micro yes's, the customer theory and let's look at this test. Here we go. This is protocol 1427. The goal is to increase the number of completed leads on the home page. So, we have another rich question, because it's single factor in design. And, Jon Powell, you're familiar with this. Aren't you?

Jon Powell: Yeah.

Dr. Flint McLaughlin: Why don't you give us some background? Jon's been with us for a long time. He is one of our key analysts who's driving lots of success all over the world as he conducts research. I think it's the world. I don't know if you're working on international or U.S. based. But, Jon's overseeing a tremendous amount of complicated research projects and I'm asking him to kind of tell us a little bit about this. So, you can even tell Paul when you want to advance, Jon, but go right ahead.

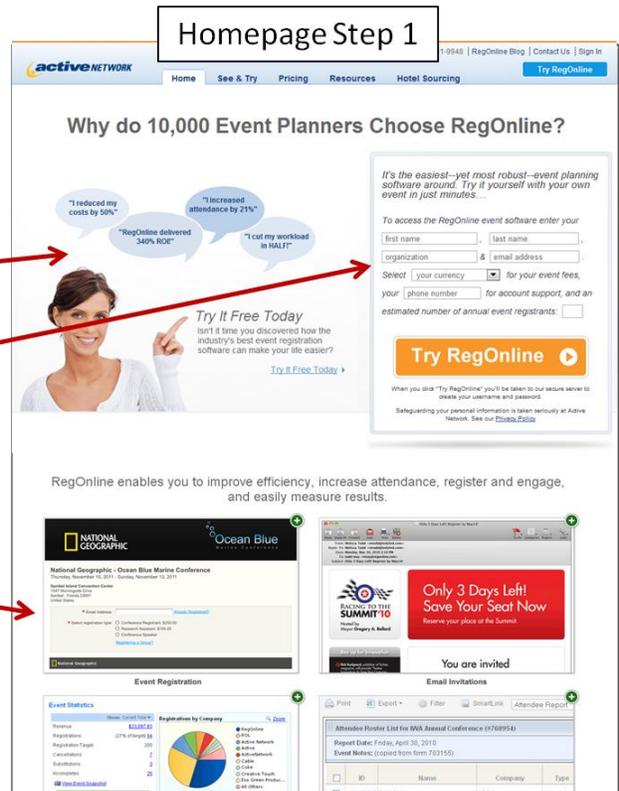
Jon Powell: So, that's good.

Dr. Flint McLaughlin: And feel free to come up here if you want, Jon.

Jon Powell: Sure. Let me give you guys some background really quick. This RegOnline is...it's about event management software. But, truth be told, is they had a challenge and for many years they've got a product that allows you to manage your event, do your stuff, everything from registration pages, sending out emails, everything that you could possibly need. But, they seemed to be having a problem getting more people to take advantage of their service, more specifically their free new accounts. So, if you guys could take me to the next slide.

Experiment Control:

- Testimonials
- Lead form
- Screenshots



Jon Powell: Let's take a look at their control. So, this is what their page is, and let me qualify something. This home page actually has been through many steps of optimization. They've been doing a lot of A/B split tests. So, we're actually looking at an optimized page, from their perspective. But, still, they couldn't seem to drive the needle up anymore than maybe 3% relatively, you know plus or minus. So, you've got your testimonials, lead forms, screen shots, headline.

Homepage Step 2

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Great This is, you are almost done!

We just need to set up a username and password for you.

Username :

Password :

Confirm Password :

By checking this box, I agree to the [terms of service](#)

[Continue to My Account](#)

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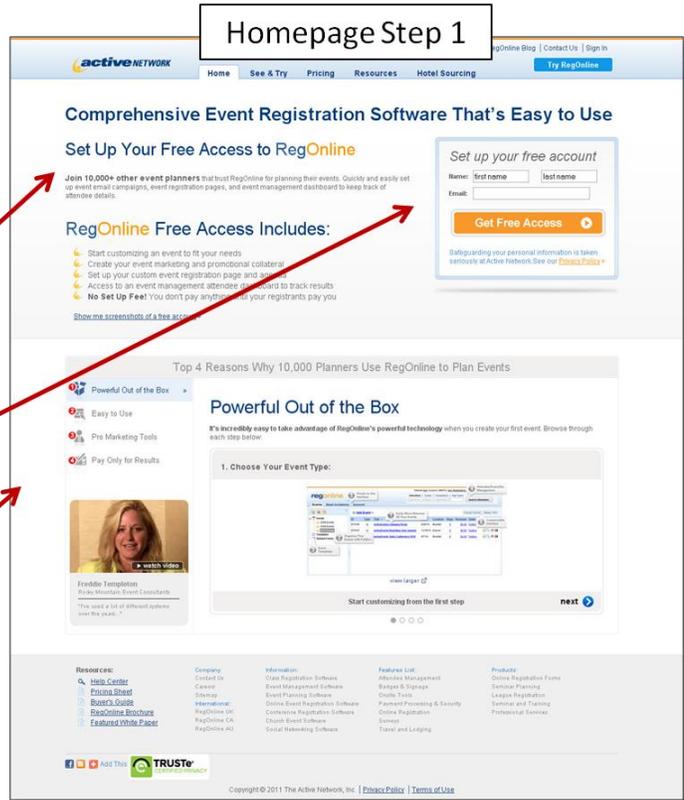
Jon Powell: And, if you were to actually fill out those form fields, you would actually get to this page, in which you would set up your username and password. So, it was a two-step process. Take me to the next slide, please.

So, we, the geniuses here at MarketingExperiments, tried to...

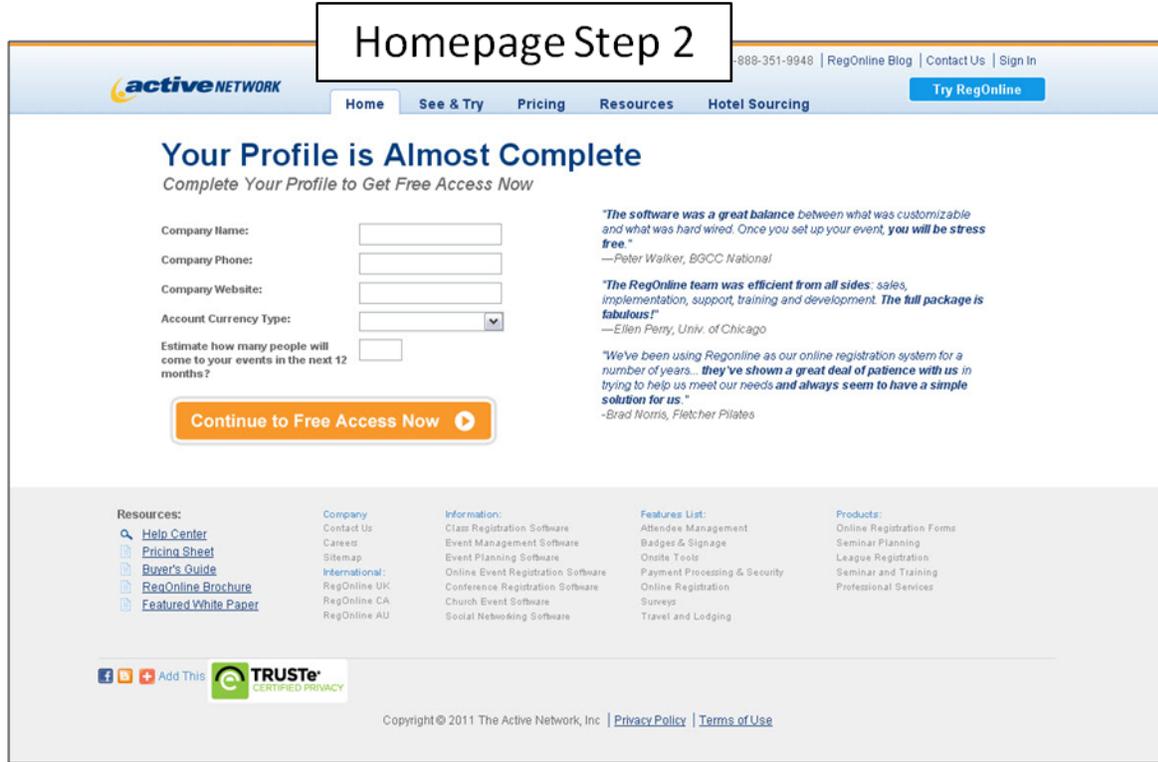
Dr. Flint McLaughlin: When you say geniuses here, in the loosest possible way.

Experiment Treatment:

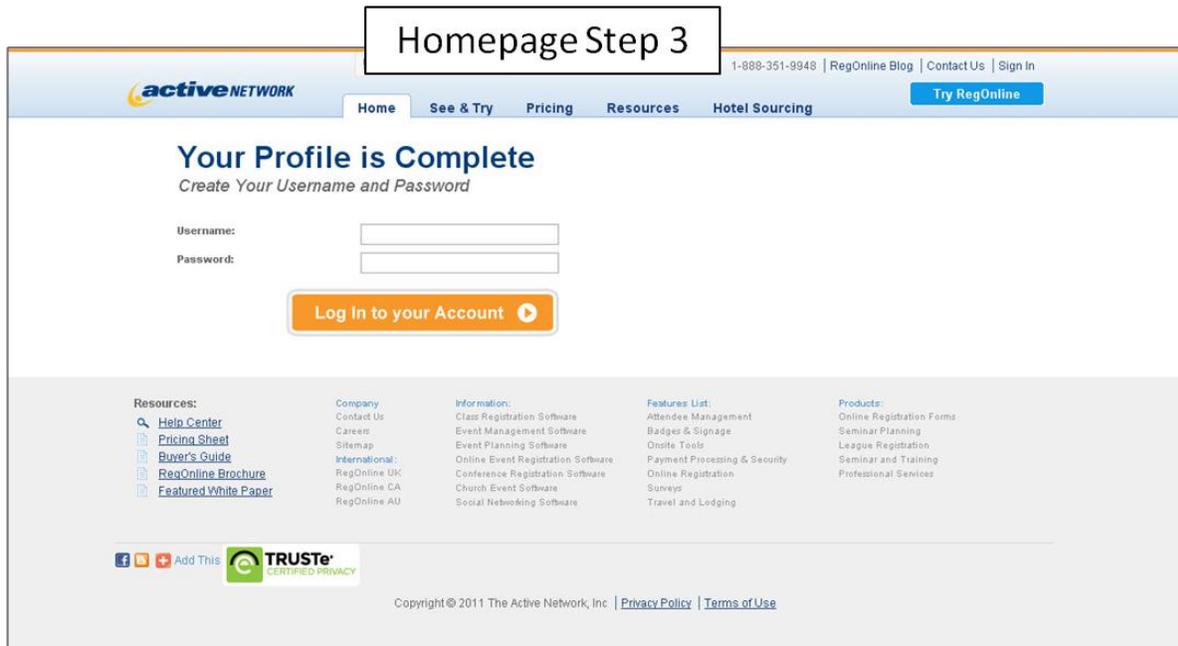
- Clarified the Value Proposition of the offer to emphasize free access.
- Reduced form fields in first step to capture more partial leads.
- Reduced friction by matching flow to thought sequence.



Jon Powell: Just wait until you see this. So, we decided that we needed to test two things, product-level based value and process-level based value. We changed the “why.” So, at the top you’re going to see a little bit of product-based value. We decided to talk differently about the product. Okay? We focused on free access. Okay? This is what you get with your free access. And, for process-based, we actually split the process up into multiple steps and reinforced the value on each step. If you could take us to the next slide.

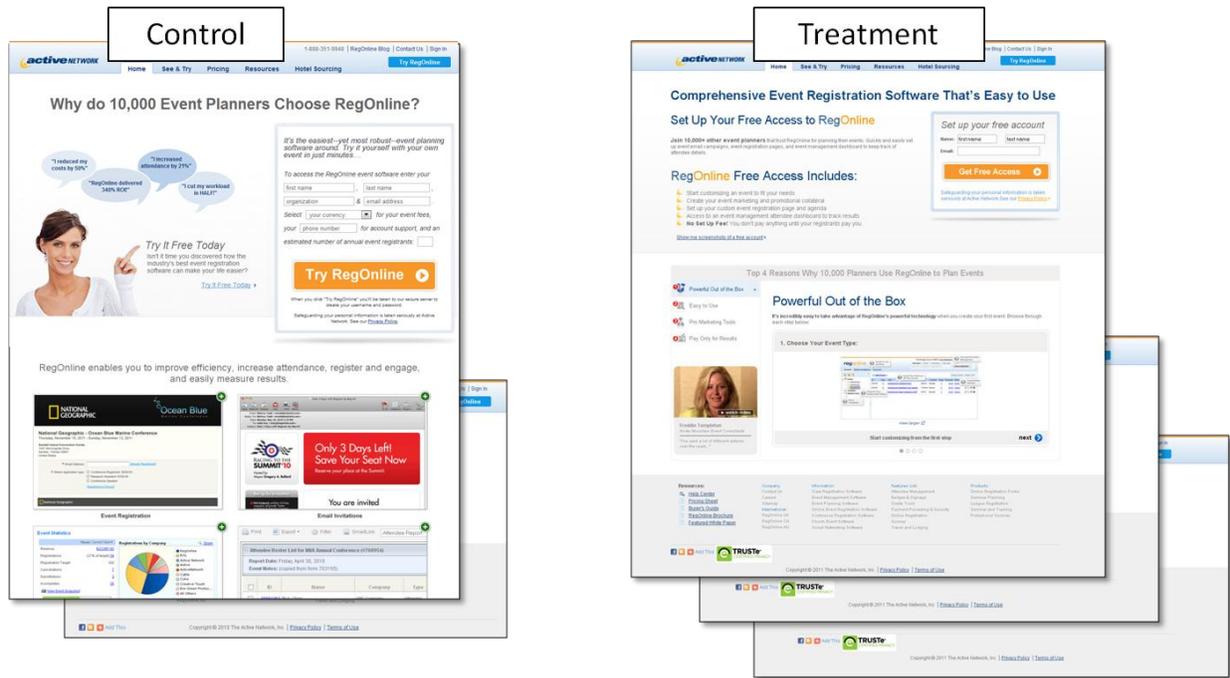


Jon Powell: Here's one of the steps. So, we actually took that first set of form fields and divided it into two, reinforced a little value on the right. Next slide please!



Jon Powell: And, then finally the one that your familiar with, username and password. So, let's go to the next slide real quick. Let me ask you guys a question. Which one do you think did better? Let's take a look. Control or treatment?

Experiment Side-by-side



Dr. Flint McLaughlin: I'm going with treatment. Jon's next to me, right here, and control says...Jon, yeah. Control. Control. Control. Treatment said someone. Treatment said someone. Control. Control. Treatment.

Jon Powell: So, why?

Dr. Flint McLaughlin: If you're going to say control, you don't...

Jon Powell: Why?

Dr. Flint McLaughlin: ...have that much confidence in MECLABS.

Jon Powell: That's right.

Dr. Flint McLaughlin: Why control? Tell me why. I'm watching your comments.

Jon Powell: Okay, give me some proof. Why control? Okay, I'm still seeing control. "The headline is cleaner on the control." Okay, "Less friction." "Sweet headline on the control." "Like the graphic." Okay, graphic. Okay.

Dr. Flint McLaughlin: “Eye flow.”

Jon Powell: “Eye flow.” Okay, so we got a lot of different things. So, clearly we’re taking a bet here on, you know, product-based value, how we describe the product. So, let’s show what happened. Next slide, please. Okay, well you guys are winners and...

Experiment Results



Versions	Conversion Rate	Relative Difference
Control – Two-step home page	2.3%	-
Treatment – Three-step home page	1.7%	-24.5%

✓ **What You Need to Understand:** In spite of having clearer value and reducing the amount of form fields in the first step, the control still outperformed the treatment.

Dr. Flint McLaughlin: Control was about 50%.

Jon Powell: Right, 50% treatment. So, we made a bet and we lost. Okay? In spite of having some clear value, and when I talk about value I’m talking about next step value, like this is what you get with your free account. It didn’t work. What was really interesting about this is that we actually got a significant increase in click-through. About 25% but....of those people, they didn’t complete. And, at the end of the day, we actually lost by 24% relatively.

Dr. Flint McLaughlin: Now, I want to stop here too because Jon is using language that’s typical in the average marketer’s group. He’s right in that the treatment produced a lower conversion rate, but I want to stress something, and that is that the goal of a test is to get a learning, not a lift. And, we learned exactly what we needed, and that’s where we’re going next. And, you need to start thinking about your testing in a different way. Testing is not simply a way that you try to, in some chaotic fashion, select a few pages, drive up the conversion rate and earn some more money by the end of the quarter. Testing is a way to improve your understand of the customer’s thinking processes so that you can take all of your marketing efforts and refine them with that deeper, more fundamental understanding. The goal of the test is to get a learning. If you get a lift every test you run, you’re not testing right. You’re not taking

enough risk. You're not asking the right questions. So, use your testing process to get a deeper understanding. And, what we did was convert that understanding and we got three slides more to show you about that particular case study and we're going to keep moving. I'll just pack the last seven minutes straight with content I hope will help you. Jon, quickly tell us what happened next.

Experiment 2 Background



Experiment ID: *RegOnline Homepage Test*

Location: MarketingExperiments Research Library

Test Protocol Number: TP1428

Research Notes:

Background: RegOnline is event management software that lets users create online registration forms and event websites to manage their events

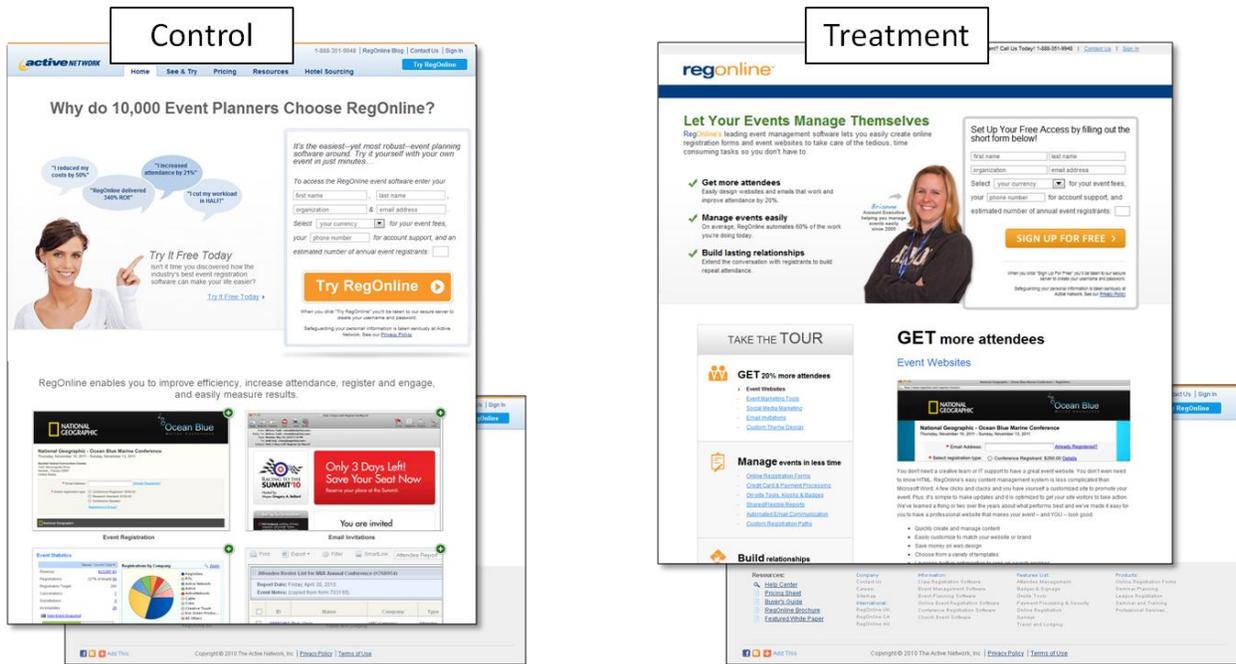
Goal: To increase number of completed leads on homepage

Primary Research Question: Which process will yield a higher conversion rate?

Approach: A/B multifactor split test

Jon Powell: So, let's go to the next one. Now, let me tell you something. This is truly not experiment 2. This is about experiment 5 or 6. To Flint's point, testing was our strategy here. We needed to discover, okay, why wasn't that process-based value working. And, okay, why did the process-based value give us a little bit but didn't finish the job? So, we ran multiple experiments in different channels. We actually ran another experiment in the home page channel on just the product-based value messaging alone. And, guess what? We got some gains. We had some learnings, but they were incremental. So, what we decided to do is follow up on this test and do a major, radical re-design using what we had learned in previous testing. If we could go to the next slide.

Experiment 2 Side-by-side



Jon Powell: Alright, so you see the control, great winner from before, and now you're seeing the new treatment. But, there's something different about it. Okay? You can just say again, we threw a bunch of stuff up there, but we actually didn't...see that top section up there, with the message that "Let your events manage themselves," the "Get, Manage, Build," we tested that messaging in the separate tests and found an incremental gain. Another thing that we also tested was the thought sequence. By eliminating navigation and forcing them through a sequential thought process about the product value, we were able to see a difference in another channel.

Experiment 2 Results



89.8% increase in conversion

The Treatment generated 89.8% more completed leads

Versions	Conversion Rate	Rel. diff
Control	0.3%	-
Treatment	0.5%	89.8%



What You Need to Understand: Using what we learned in previous tests, we directed the flow of the visitor's thought sequence through the value before revealing the price. This is what gave us our lift.

Note: After further testing, we were finally able to **increase conversion on the homepage by 141%**

Jon Powell: So, let's take a look at the results, 90%, and we didn't even split it up into three steps. We kept the same two steps, 90% increase. And, as we continued testing on process-based value proposition, we actually increased it cumulatively to 141%. And, right now, we're actually working on prospect-based value proposition optimization.

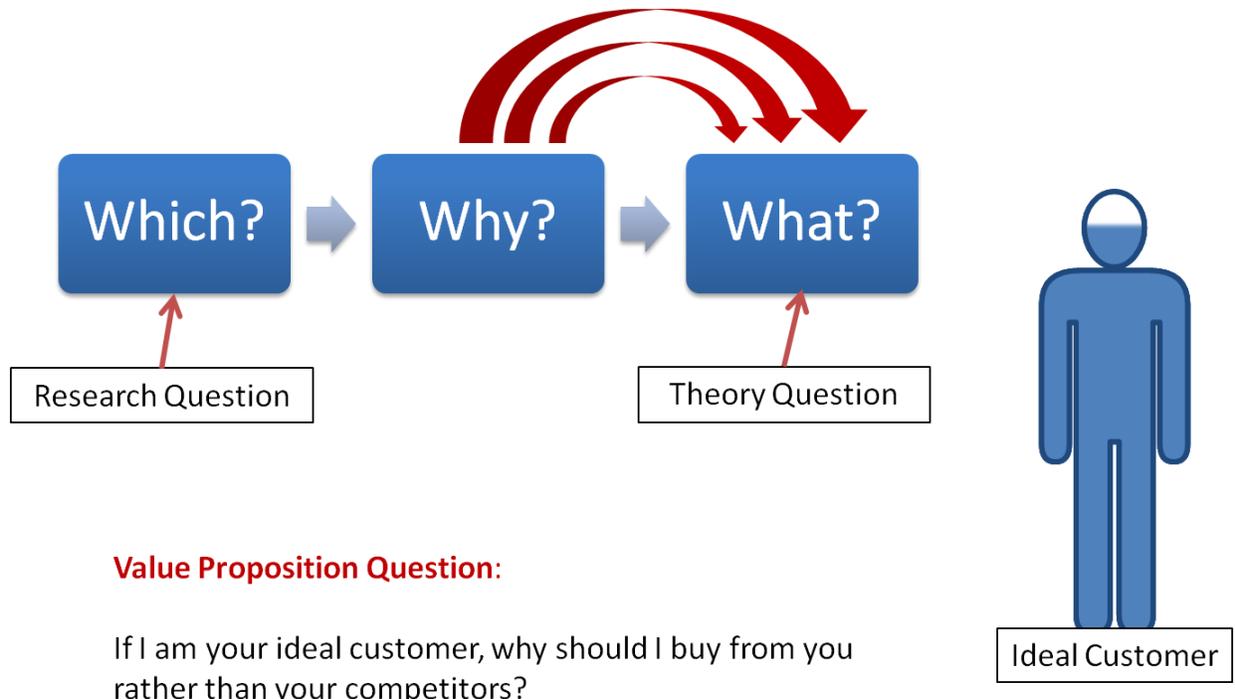
Dr. Flint McLaughlin: There is still much work to do. I am not satisfied with what we've done. I'm not satisfied with what we learned. We're not even over here slapping ourselves on the back because it's not enough to get a conversion lift. It doesn't hit the P&L until you can convert the lift into a learning that you can permeate the organization's marketing messaging with. Thank you, Jon! That's an excellent example! We have just five minutes left. I have more to say on this point. I'm going to tie it all together. I think the last few slides are perhaps the most important few slides in the entire deck, so let's go there and invest the balance of our time.

 **Key Principles**

- A. The goal of a test is not to get a lift, but rather to get a learning
- B. To achieve the maximum amount of learning, your tests should be designed around two key elements:
 - 1. A research question
 - 2. A theory question

Dr. Flint McGlaughlin: The goal of the test, you're going to say, is not to get a lift but rather to get a learning. It's there in black and white now. And, to achieve the maximum amount of learning, your test should be designed around two key elements, a research question and a theory question. Now, most of us don't know the difference. We can't define the research question and we don't understand the theory question, so let's drill down on that as swiftly as we can. The research question, if you're in a kind of split test format, be it single factorial or multifactorial, be it, in other words, A/B, you know, A, B, C, D, E, or some kind of multivariate model. In either case, it's still which, which combination, which page, which path, which headline. It always begins with that critical word. In fact, any research question that doesn't isn't set up properly for the test. But, underneath that is a more fundamental question and let's talk about that.

Theory Question: Behavior reflects identity



Value Proposition Question:

If I am your ideal customer, why should I buy from you rather than your competitors?

Dr. Flint McLaughlin: What's really happening is your research question indicates behavior and we need to think of it this way. All of our focus groups are insufficient if we don't combine them with behavioral testing. With behavioral testing, we can look at a choice made by a group of customers or prospects and we can say, based on that choice, there's a fundamental learning we can extract from the behavior. How do you get to that learning? Simple. You connect the which question with a why question. Why did they choose headline A over headline B? Why did they choose this call to action over that call to action? Why did they choose this page over that page? Why did they open this email over that email? And, when you ask the why question, what you've really done is you've set yourself up to a big and more fundamental theory question. What does this tell me about my customer?

Now, you may recall, we opened up talking about the ideal. We opened up talking about the value proposition. We said the value proposition is in effect the answer to this question: "If I am the ideal customer, why should I purchase from you rather than any of your competitors?" That's vital! But, in doing so, in asking that question, it comes down to that critical first contingency, the ideal, the ideal customer. What you're trying to do is understand the mindset of this ideal customer. And, in doing that, you're able to predict the behavior in the future and thus you're able to improve the results in all of your marketing efforts.

Read more at MarketingExperiments.com/NegativeLifts...

Dr. Flint McGlaughlin: I am being told by my staff that I am out of time because they have to wrap up some questions regarding a survey. I'd like to teach you more, really, like in two weeks. Well, I hope this has been helpful for you. We're going to do our best. In fact, we're going to be certainly producing all of this in video format, where you can watch the movies or the videos as well as the articulate presentations and the various versions that we have on the net. Thank you! If you enjoyed this, tell a friend. We'll be back.

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- The on-demand replay of [Do You Have the Right Value Proposition?](#), where we taught five simple steps to determine your optimal value proposition
- An invitation to our next Web clinic, where we will discuss proven strategies for [Converting Leads to Sales](#)
- An opportunity to [share your optimization and testing discoveries](#) with your peers at the 2011 Optimization Summit and receive a complimentary ticket to this inaugural event.

Our job is to help you do your job better. [Let us know](#) how we can help.

Daniel Burstein
Director of Editorial Content
MECLABS Primary Research

Resource #1

Do You Have the Right Value Proposition?
How to test, measure, and integrate your Value Proposition online

According to Dr. Flint McGlaughlin, there are five simple steps any marketer can take to identify their optimal value proposition. During this dense, yet very practical, Web clinic, he reviewed two recent experiments aimed at discovering value propositions that increase customer response.

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