What Your Customers Want: How to predict customer behavior for maximum ROI

ABSTRACT

In this Web clinic transcript, Dr. Flint McGlaughlin and fellow presenters from the MECLABS team discuss three principles of customer research and how you can use them to predict the behavior of your ideal prospect for maximum ROI.

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What Customers Want

How to predict customer behavior for maximum ROI

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[Note: This document is a transcript of a live Web clinic, "What Your Customers Want: How to predict customer behavior for maximum ROI," that originally aired on March 28, 2012. A [full video replay](#) is also available.]

Dr. Flint McGlaughlin: All right Dan thank you very much and we are back at it again. I just saw a note come across the screen from Christian. And Christian thanks for those encouraging comments and we will do our best to deliver what you are requesting. The title for today's clinic is "What Your Customer Wants: How to predict customer behavior for maximum ROI." It is a very interesting topic to me and it goes beyond testing, it goes beyond changing headlines and basic optimization guidelines and it takes us to the place where we have to think about what our customer is actually thinking. This is the danger. We as marketers have too wide a gap.

We are trying to manage campaigns rather than that sort of knowledge gap we have. This gap is our lack of understanding as to what is unfolding in the customer's mind. In fact we don't optimize web pages, we don't optimize e-mail campaigns, but at MECLABS we believe that you should be optimizing the thought sequence. That is not possible unless you can peer into the mind of the prospect, into the mind of the customer, and asked yourself what are they thinking, what are they struggling with, and what are they afraid of, as that thought process unfolds there are conversion inhibitors and there are conversion contributors. A big part of the depth and understanding that makes an effective marketer is this sort of philosophical insight into the operating software, not on your computer, but in the mind of the customer

And I say all of that to share with you what is going to happen today and I will be joined in this clinic with Jon Powell. Jon has been with me for many years. He is one of my senior research managers and he personally supervised the first experiment that we are going to talk about.

Marketing takes time and resources
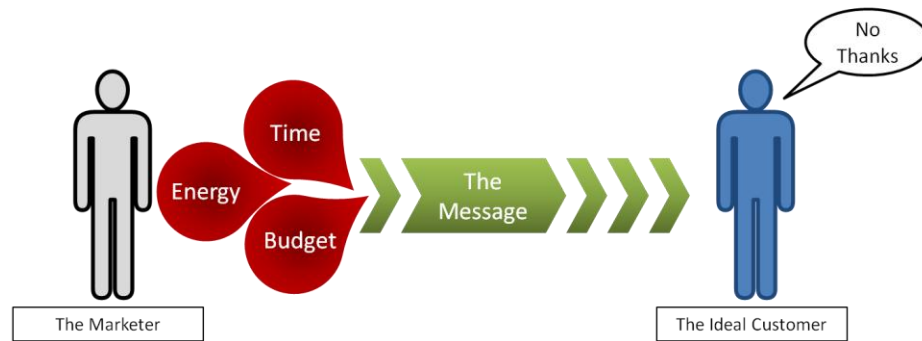
? *How can I know that my campaigns will be successful before I invest resources?*

Dr. Flint McGlaughlin: I want to move directly into the case study with just one caveat. You will notice on the screen behind me we have kind of illustrated the marketer and the ideal customer. And we know that the marketing effort is demanding and requires time, energy, budget and significant resources. We are launching campaigns all the time and we are being pressurized by sales and pressured by management and we are trying so hard to discover how.

We often slip past the why the factor. How do I hit my deadline, how do I get more opens, how do I open my conversion rate, and that question is as important as it is and it can get between you and the most important point of the entire mental exploration and that is why. Why does my customer say yes? Why would my customer say no? Why are my customers not doing what I expected them to do? And the difference between customer behavior and the marketer's expectation is the gap that we want to address in today's clinic. So keeping that as a context, let us drive right into a case study.

Experiment: Background

Experiment ID: *NAS Content Approach*
Location: MarketingExperiments Research Library
Test Protocol Number: TP4067

Research Notes:

Background: Medical provider specializing in treating chronic back pain. They are the sole providers of a minimally invasive, innovative pain management procedure.

Goal: To plan a content marketing strategy based on which approach generates more appeal in condition-based searchers.

Primary Research Question: Which content approach will achieve a higher clickthrough rate?

Approach: A/B Multifactor Split Test

Dr. Flint McGlaughlin: You will see that it is test protocol 4067. It is a medical provider specializing in treating chronic back pain and they are the sole providers of a sort of minimally invasive, it is sort of innovative pain management procedure. We spoke about this particular research partner before. We have worked with the key leaders at ROI revolution, their analysts and managed the paid search campaign.

We talked about this in a previous clinic and this is new. What you are going to see I think you will find quite interesting. Jon Powell worked on this case study and there is a primary research question and I remember that it is not the hypothesis question and it is not the research question and there is a difference. There is this question and it should be answered whenever there is an either or research scenarios. That happens in single factorial and that happens in multi-factorial and the research question begins with a word "which." But the word "which" is the one that we are going to describe for you, a certain choice and it is not going to help you answer the deeper question unless you ask a different kind of, or with a different kind of interrogative.

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Experiment: Audience Participation

We asked our blog audience to participate by submitting a PPC ad template that we could use in the test.

The winning template was submitted by blog reader **Amy Harold** of GDNash.com

Dr. Flint McGlaughlin: So, let us move on and let us look at the test itself. We asked you, our community of subscribers and readers to help us develop this test and we asked you to submit a paid search ad input that we could use in the test and there are many submissions. The winner was Amy Harold, of GD Nash.com.

Experiment: Medical Condition Keywords

Medical Condition Keywords:

- Lumbar bulging disc
- Sciatic nerve
- Degenerative disc disease
- Herniated disc
- Pinched nerve in lower back
- Lumbar back pain

Ad Abbreviated Med. Conditions:

- Bulging disc
- Sciatic nerve
- Degen. disc
- Herniated disc
- Pinched nerve
- Lumbar pain

Dr. Flint McGlaughlin: She submitted a particular template and we are going to look at that template in just a moment, but you will notice this connection here between medical condition keywords and add abbreviated sorts of words that are used in the actual campaign. Jon Powell you might just want to
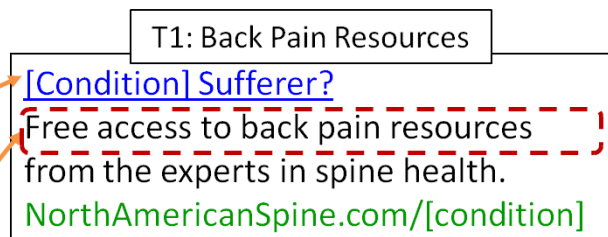
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come up here with me, and just stand with me as I unfold this point out here and anything in particular that you want to share with us about this particular piece?

Jon Powell: No, we just want you to understand exactly what was in common with all of these particulars keyword searches and groups that were in.

Experiment: Treatments

Treatment Design:

- Template test in 6 condition-based ad groups

- Headline is specific to [condition] ad group

- Variable is description line one

- Value corresponds to content approach

T1: Back Pain Resources

[Condition] Sufferer?
Free access to back pain resources from the experts in spine health.
NorthAmericanSpine.com/[condition]

Dr. Flint McGlaughlin: Then here is the treatment design and I want you to notice that we have a variable and a value. The variable and this is classic, unique test design. The variable is the description in line one and the value will be our various versions of that description. So there is a headline, it is specific to the ad groups condition and there are a group of ads and I am going to show you some more bits, and if you don't fully understand it, it is coming but there are a group of ads focused around the condition and now what we are doing is that we are drilling down on that first line and we are modifying it in a series of versions to determine which version would help produce the highest lift. Jon, is there anything that you would like to add to that?

Jon Powell: No.

Dr. Flint McGlaughlin: All right, so let us keep going then. Here is that key piece. "Free access to back pain resources" and let us look, this would be one of our treatments.

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Experiment: Treatments

Treatment Design:

- Template test in 6 condition-based ad groups
- Headline is specific to [condition] ad group
- Variable is description line one
- Value corresponds to content approach

T2: Treatment Options

[Condition] Sufferer?
Compare available treatments,
from the experts in spine health.
NorthAmericanSpine.com/[condition]

Dr. Flint McGlaughlin: Here is treatment two. What is the big difference here? Again, that first line, that is always in your test design your value. I will give you that example just so you understand the difference between a verbal and value and let us suppose you were testing a headline color, and your variable would be the headline color and your value might be blue, green, and red. And in this case, our variable is description and our value now is "compare available treatments", and let us looks again.

Experiment: Treatments

Treatment Design:

- Template test in 6 condition-based ad groups
- Headline is specific to [condition] ad group
- Variable is description line one
- Value corresponds to content approach

T3: Causes and Solutions*

[Condition] Sufferer?
Learn about the causes & solutions,
from the experts in spine health.
NorthAmericanSpine.com/[condition]

*Amy's submission

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Dr. Flint McGlaughlin: This is number 3, T3, treatment 3, focused on causes and solutions. It says "Learn about the causes and solutions." There again is the new value and let us go on and look at treatment 4.

Experiment: Treatments

Treatment Design:

- Template test in 6 condition-based ad groups
- Headline is specific to [condition] ad group
- Variable is description line one
- Value corresponds to content approach

T4: Recognize Symptoms

[Condition] Sufferer?
How to recognize the symptoms, from the experts in spine health.
NorthAmericanSpine.com/[condition]

Dr. Flint McGlaughlin: Here it is how to recognize the symptoms. Now you will notice everything else is the same, just changing this description, this variable with this series of values.

Experiment: Side-by-side

T1: Back Pain Resources

[Condition] Sufferer?
Free access to back pain resources from the experts in spine health.
NorthAmericanSpine.com/[condition]

T2: Treatment Options

[Condition] Sufferer?
Compare available treatments, from the experts in spine health.
NorthAmericanSpine.com/[condition]

T3: Causes and Solutions*

[Condition] Sufferer?
Learn about the causes & solutions, from the experts in spine health.
NorthAmericanSpine.com/[condition]

*Amy's submission

T4: Recognize Symptoms

[Condition] Sufferer?
How to recognize the symptoms, from the experts in spine health.
NorthAmericanSpine.com/[condition]

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Dr. Flint McGlaughlin: If you were to look at all of these side by side, here is what you will see. Four ads, almost identical, except for that key change in that description. Free access to back pain resources, compare available treatments and how to recognize the symptoms and learn about the causes and solutions and as you think about that, ask yourself in the audience which one of these four do you think is going to help us achieve our gain?

And I want you to just look at the four and vote. I am going to walk over here Jon, you can see over my shoulder and your votes are coming in right now. "Number three", says Grant. "Number 2," says Karen. "Number 3," says William. "Number 2," says Jon. "3," says Jake. "1," says Stellio. "1," says Josh. "1," says Tim. "3," says Kata. "2," says David. "1," says Brian.

Your lists are coming in and we are tallying and watching these votes as they come. It is very interesting. Keep voting, tell us what you think. Tell us what you think and so again these are the four differences and give us your votes. 4, 2, 3, 3, 2, 1, 3, 2, 1, 3, 3, 1, and all right now, as you think about that let us just move right to the results and think even more deeply.

Experiment: Results

⬆ 99.7% Increase in clickthrough rate
'Symptoms' generated 99.7% more clicks than the 'Back Pain Resources'

Version	CTR	Rel. diff	Stat. Conf
Back Pain Resources	0.15%	-	-
Treatment Options	0.17%	14.1%	65.8%
Causes & Solutions*	0.26%	71.8%	99.9%
Symptoms	**0.30%**	**99.7%**	99.9%

☑ **What You Need to Understand**: The 'Symptoms' content approach is most appealing to visitors making condition-based searches.

*Amy's submission

Dr. Flint McGlaughlin: Here then is the result of the experiment. You will notice number 3 was submitted by Amy and it scored very well. It certainly beat back pain resources, treatment options, but it did not beat the final version, which was symptoms, see in bold, on the symptoms page, there is a 0.30%

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gain and there is a 99.7% increase or relative difference and it is a dramatic gain. Jon any comments on that?

Jon Powell: In terms of background, just the one thing that we noticed was that of the two ones that did validate for a positive difference, the one thing that they had in common was that it seemed that visitor was trying to understand why, they weren't just interested in a solution, they were looking for answers.

Dr. Flint McGlaughlin: What kind of why? Why the solution would work, is that what you are saying or what can I do, where do I start?

Jon Powell: Why I am experiencing this? They want to understand.

Dr. Flint McGlaughlin: Okay. This is marketers combining art and science. I just wrote a piece about this for my book on how the two come together and they have done the science and now they are in a bit of yard. Don't be surprised that the despite art emphasis on science, we are constantly stressing that marketing also involves a little bit of mystery, a bit of art, and the marketer also has to use art to bridge the difference between what they know from their science and what they need to know. It is art that helps you transcend the gap and it is intuition, it is perception, it is that sort of right-brained activity to oversimplify the processes of the right brain. All right, let us keep going, because there is something deeper here and we are going to show you this and remember that as we show it to you what we are trying to achieve is a learning for you, a set of principles that will help you take an experiment like this and use it to dig deeper into the mindset of the person that you are trying to market to.

How can we predict success?
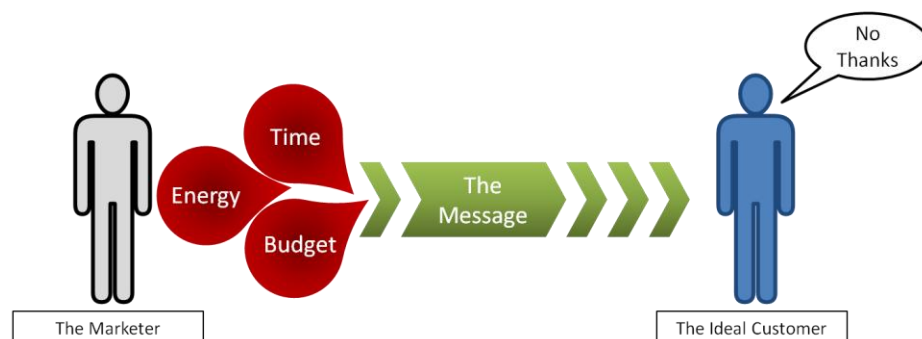
How can I know that my campaigns will be successful before I invest resources?

Dr. Flint McGlaughlin: So, back to this particular question, we began with this particular question and now let us consider this experiment across three critical principles. These principles will define everything we do today and we are going to take each of these three and drill down deeply to help answer the primary question that we raised at the beginning of the clinic.

Principle #1: All you need to know is enough to predict

Dr. Flint McGlaughlin: So here is the first principle, all you need to know is just enough to predict. Let me say that with a little bit more context.

👉 *Key Principles*

PRINCIPLE #1:

Customer research can generate an overwhelming amount of data. We can cut through it with this simple maxim:

All we need to know is enough to predict customer behavior.

Dr. Flint McGlaughlin: Customer research can generate an overwhelming amount of data but we can cut through this with a simple maxim. All we need to know is enough to predict customer behavior. I want to give you some piece of mind marketer, because if you are like most, you have this very extensive foreboding and this insecurity that you are not capturing enough metrics data, that you don't know your customers enough, and that you haven't done your persona research and to some extent that you haven't been able to and it is not your fault.

But frankly this undone research hangs over our head like the Sword of Damocles and we don't know how to escape it because no matter how much we do, it doesn't seem to be nearly as much as we could do and no matter how much we know, it doesn't seem to be nearly as much as we could know. The problem with this is that we leave you feeling as if you can never know enough and it is frustrating and it takes the fun out of sitting down to think through a campaign. I want to suggest to you that the goal of a customer theory or this whole business of doing customer research should be disciplined around a simple point and that is all you need to know is enough to predict behavior.

Knowing enough to predict

Our researchers call this knowledge the "Customer Theory."

Customer Theory Definition:

The Customer Theory is an understanding of the customer
that enables us to predict their total response to a given offer.

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Dr. Flint McGlaughlin: Now think about that for just a moment and let us show you how that connects with a case study that we just talked about here and to do that we are going to go back. And as we do I think it is important that you understand that we mean when we say customer theory. The customer theory because this is a word used in our laboratory and by the way we think and I would say this to anybody on this phone that has a direct connection to a C-suite, if you are a CMO or even a CEO and sometimes on these web clinics we have senior leaders from one of the largest companies in the world.

Customer theory is at the heart of your competitive advantage. If you understand your customer better than your competitors do, you will be able to introduce better products with higher margins and with no market traction than they. You will find the greatest companies in the world have a profound understanding of the customer that their competitors often cannot match. Customer theory is an understanding of the customer that enables us to predict their total response to a given offer and that is what we are trying to do. It is understand enough, I don't care about where they live, what their income is and what their religious preference is. If it doesn't enable to predict their behavior and if that serves a way for instance, if that helps me isolate a customer segment that I know has a certain level of motivation and it is useful information it is good, but if not, I have a problem.

Knowing enough to predict

T1: Back Pain Resources	T2: Treatment Options
[Condition] Sufferer? **Free access to back pain resources** from the experts in spine health. NorthAmericanSpine.com/[condition]	[Condition] Sufferer? **Compare available treatments,** from the experts in spine health. NorthAmericanSpine.com/[condition]
T3: Causes and Solutions*	T4: Recognize Symptoms
[Condition] Sufferer? **Learn about the causes & solutions,** from the experts in spine health. NorthAmericanSpine.com/[condition]	[Condition] Sufferer? **How to recognize the symptoms,** from the experts in spine health. NorthAmericanSpine.com/[condition]

*Amy's submission

? *What can we predict based on these results?*

Dr. Flint McGlaughlin: So I want to know only what I need to know to predict and keeping that as kind of the background let us go back to these four ads, because Jon had a critical issue here and it is how do we take this warning and translate it into customer wisdom. Jon do you want to share anything about what was going through your mind at this point when you got back all the experiment results.

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Jon Powell: Well I wanted to beat what they have had before this experience and I wanted to try and take those learning and apply them and I didn't quite understand how other than to start exploring the question of why.

What is it that they are looking for at this stage of the thought process, in the micro yes process specifically be it is fundamentally different than another segment of their customers which are looking for solutions at a different stage of the process based on different key words and so I am really looking to understand what is it that is going to motivate this group to get into the site to find valuable information and then to sign up.

Dr. Flint McGlaughlin: So you are looking almost for the psychological trigger?

Jon Powell: Yes.

Dr. Flint McGlaughlin: And so Jon now has to take that first experiment and say how can we isolate the psychological trigger that will help us move them. Move them towards the purchase down the micro yes path.

Experiment #2: Background

Experiment ID: *NAS Content Approach*
Location: MarketingExperiments Research Library
Test Protocol Number: TP4068

Research Notes:

Background: Medical provider specializing in treating chronic back pain. They are the sole providers of a minimally invasive, innovative pain management procedure.

Goal: To plan a content marketing strategy based on which approach generates more appeal in condition-based searchers.

Primary Research Question: Which content approach will achieve a higher clickthrough rate?

Approach: A/B Multifactor Split Test

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From Test Protocol

[Note: The complete test protocol tool being discussed in this slide is available for free in the MECLABS, Fundamentals of online testing course.]

Dr. Flint McGlaughlin: So, we designed an experiment and this experiment is now taking into consideration the previous experiment. It is reflected in a document that we developed and it is an actual tool that is called a test protocol and you will notice on your version of it, there is a hypothesis followed by a question and you will see in the research side, there is a primary question and there is a secondary question.

The hypothesis, the question then leads to the variables that we are going to isolate in the test and this is one fact and in fact if you look at the bottom you will see, this is a live protocol, we just pulled up. I want you to get a sense of this and we submitted the document in 2006 for patent. It was part of a much more complex series of heuristics and an approach to this problem. It was just granted last month and we are pleased to see that and I want you to know that there is a lot of science here, and on the front side, there is a sort of a planning document and this was used to translate the previous test learning into customer wisdom.

A new test designed like that and underneath look at the rest of the tabs at the bottom, there is partner information, there is screen shots, take me to the screen shot tab someone if you can do that and well just move it to screen shot or is that something I need to do? There you go, these are all of the various ad groups, we are going to look at them in just a moment so you can compare them and then there is optimization and background information and let us just slide over and look at that. This is all kinds of

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data from optimization background, and then let us look at the validity tab, just a quick validation, calculation piece here.

This is built into the document's design, by the way you can learn to use these and you have an online testing course, I don't have a slide selling the online testing course and I am just telling you that there is a simple four to six hour course you can take that teaches you how to design a test properly and it is part of our research here and it is not a major revenue driver, but it is something our audience needs and so we produced it for them and we have got an updated version coming out very soon. All I would like you to know is that you have really moved from the planning piece over to the results piece and show me the summary, which will be your last tab there. That is it.

Dr. Flint McGlaughlin: And you can see in this tab if you look at it carefully this is not taking that original questions and scroll down for me and make it larger, you can do that with a little arrow on the right hand side, there we go. There we go. Now scroll down. Here is the actual results and all the things that we discovered, all the ways that we protected it against the validity errors.

Listen, so many people are testing on the internet and making decisions based on that data sets. You have got to learn the fundamentals of designing a test and I just want to leave it right here for a moment and in fact I think we will go back to the deck and I want you to understand that this document must help control the process and if you are on this call you will say wait a second, I am lost. I will never be able to do all that. I don't have a test protocol and I want you to know that I don't have a test protocol and I want you to know that you don't have to this document or specialized understanding to learn from this clinic something that you can do right now so that you can't take back and use to translate data into wisdom, to change metrics from "how much" to "why so."

Experiment #2: Side-by-side

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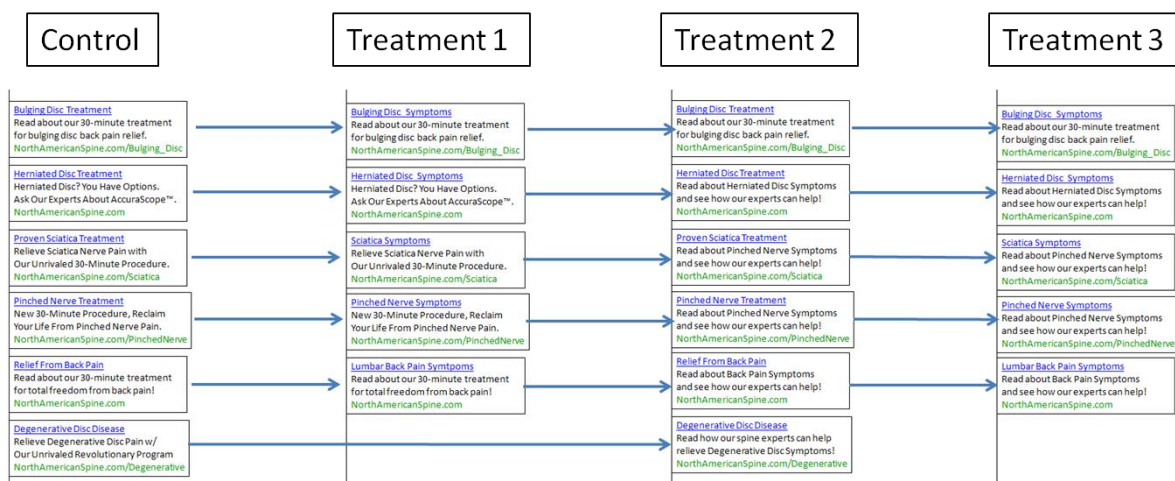
Dr. Flint McGlaughlin: As I shared that with you, I want to shift now from the protocol to the actual test, share it with you. These are the control and the treatments that were designed and these were separate groups and I would like to breakdown how they help us in isolating our learning. Jon is going to help me with that.

If you have just joined this clinic, if this is the first MECLABS clinic, it will be dense with content, but we don't want to overwhelm you and we don't want to impress you with our academic credentials, the history of the lab, or how clever our analysts might be. The goal here is to serve you. It is not about the marketing. It is about the marketer and teaching you in a way that will empower you to go back and get a result. So bear with us, if this sounds a little bit complex it is going to get simple and actionable before we are done. Jon, that is a quick overview and I am going to move through the groups real quick. Any context that you want to give me first before I do?

Jon Powell: No, the only other thing that we wanted to do and we stressed to the research team is to make it as fair as a test as possible, really isolate the variables so that we can get a very clean result.

Dr. Flint McGlaughlin: Okay.

Jon Powell: All right.

Experiment #2: Control

General Hypothesis:

"Based on what we learned from the previous content approach test, if we use a symptom content approach while matching the control's specificity to each ad group, we can achieve a higher click-through rate."

-Quoted from Test Protocol

Control Ads

Bulging Disc Treatment
Read about our 30-minute treatment
for bulging disc back pain relief.
NorthAmericanSpine.com/Bulging_Disc

Herniated Disc Treatment
Herniated Disc? You Have Options.
Ask Our Experts About AccuraScope™.
NorthAmericanSpine.com

Proven Sciatica Treatment
Relieve Sciatica Nerve Pain with
Our Unrivaled 30-Minute Procedure.
NorthAmericanSpine.com/Sciatica

Pinched Nerve Treatment
New 30-Minute Procedure, Reclaim
Your Life From Pinched Nerve Pain.
NorthAmericanSpine.com/PinchedNerve

Relief From Back Pain
Read about our 30-minute treatment
for total freedom from back pain!
NorthAmericanSpine.com

Degenerative Disc Disease
Relieve Degenerative Disc Pain w/
Our Unrivaled Revolutionary Program
NorthAmericanSpine.com/Degenerative

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Dr. Flint McGlaughlin: We are moving and we can see in the screen behind me that there is a hypothesis for number 2, experiment number two, now this is controlled, this is the treatment and this is the control and this is the general hypothesis. Jon, can you just summarize the hypothesis in a heartbeat for us.

Jon Powell: What we wanted to discover and prove or disprove was whether the symptom focus would outperform the control ads if that was the trigger that we were that is going to get the customer on track.

Dr. Flint McGlaughlin: So you said symptom focus and so let me just drill down. So we are saying that there is a lot of ways that we like to talk about this treatment and if we focus on symptoms would it produce a higher lift, is that what you are saying?

Jon Powell: Yes that is what I am saying.

Experiment #2: Treatment 1

How treatment will test hypothesis:

"If treatment 1 wins, we will learn that the symptom content approach is most effective only when used in the headline."

-Quoted from Test Protocol

Treatment 1 Ads

Bulging Disc_Symptoms
Read about our 30-minute treatment
for bulging disc back pain relief.
NorthAmericanSpine.com/Bulging_Disc

Herniated Disc_Symptoms
Herniated Disc? You Have Options.
Ask Our Experts About AccuraScope™.
NorthAmericanSpine.com

Sciatica Symptoms
Relieve Sciatica Nerve Pain with
Our Unrivaled 30-Minute Procedure.
NorthAmericanSpine.com/Sciatica

Pinched Nerve Symptoms
New 30-Minute Procedure, Reclaim
Your Life From Pinched Nerve Pain.
NorthAmericanSpine.com/PinchedNerve

Lumbar Back Pain Symtpoms
Read about our 30-minute treatment
for total freedom from back pain!
NorthAmericanSpine.com

Dr. Flint McGlaughlin: All right and I am going to move on. I am going to go our first attempt here and here is the treatment. How is treatment one trying to achieve that Jon?

Jon Powell: So if treatment one wins we will learn the symptom content approach is most effective only when used in the headline. So if we just put it in the headline we will produce lift.

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Experiment #2: Treatment 2

Treatment 2 Ads

Bulging Disc Treatment
Read about our 30-minute treatment
for bulging disc back pain relief.
NorthAmericanSpine.com/Bulging_Disc

Herniated Disc Treatment
Read about Herniated Disc Symptoms
and see how our experts can help!
NorthAmericanSpine.com

Proven Sciatica Treatment
Read about Pinched Nerve Symptoms
and see how our experts can help!
NorthAmericanSpine.com/Sciatica

Pinched Nerve Treatment
Read about Pinched Nerve Symptoms
and see how our experts can help!
NorthAmericanSpine.com/PinchedNerve

Relief From Back Pain
Read about Back Pain Symptoms
and see how our experts can help!
NorthAmericanSpine.com

Degenerative Disc Disease
Read how our spine experts can help
relieve Degenerative Disc Symptoms!
NorthAmericanSpine.com/Degenerative

How treatment will test hypothesis:

"If treatment 2 wins, we will learn that the symptom content approach is most effective when used in the description and when the description is specific to the ad group."

-Quoted from Test Protocol

Dr. Flint McGlaughlin: All right, in the headline only do we get a lift? That is simple, let us go to treatment two. Explain treatment two for us.

Jon Powell: If it is only in description, will we get a lift"

Dr. Flint McGlaughlin: All right, so description will be the first line underneath the headline, is that what we are talking.

Jon Powell: Yes.

Dr. Flint McGlaughlin: So now we are trying to see a symptom focus and just to make a connection we realize in the first round of experiments that it was the symptom focus that seemed to produce the game and so now we are trying to extend that into our understanding and that will tell us something about the customer is thinking. This is a hypothesis not about ads, but about what matters most to the customer and what stage they are in the thought sequence and no we have tried it in the headline and now we are trying it in the description line and let us move on.

Experiment #2: Treatment 3

Treatment 3 Ads

Bulging Disc_Symptoms
Read about our 30-minute treatment
for bulging disc back pain relief.
NorthAmericanSpine.com/Bulging_Disc

Herniated Disc_Symptoms
Read about Herniated Disc Symptoms
and see how our experts can help!
NorthAmericanSpine.com

Sciatica Symptoms
Read about Pinched Nerve Symptoms
and see how our experts can help!
NorthAmericanSpine.com/Sciatica

Pinched Nerve Symptoms
Read about Pinched Nerve Symptoms
and see how our experts can help!
NorthAmericanSpine.com/PinchedNerve

Lumbar Back Pain Symptoms
Read about Back Pain Symptoms
and see how our experts can help!
NorthAmericanSpine.com

How treatment will test hypothesis:

"If treatment 3 wins, we will learn that the symptom content approach is most effective when used in BOTH the headline and description and when the description is specific to the ad group."

-Quoted from Test Protocol

Dr. Flint McGlaughlin: Treatment three, this is for all of these ads in the group; so what is the key here Jon?

Jon Powell: It is both headline and description and it is probably the most holistic, full approach to putting symptoms forward.

Dr. Flint McGlaughlin: All right, so now we have it combined in the headline and in the description and so this is a hybrid of the last two, correct.

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Experiment #2: Side-by-side
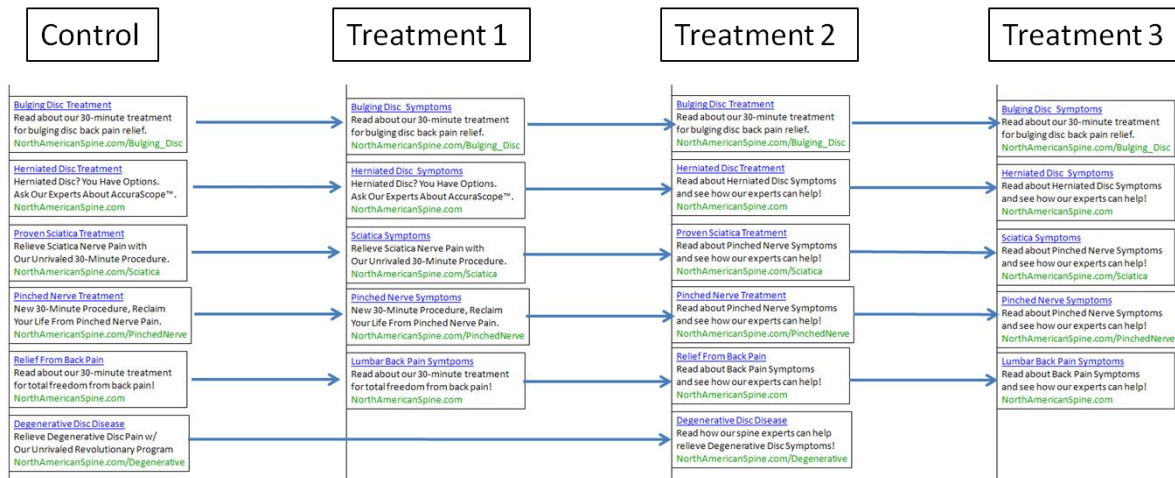
Dr. Flint McGlaughlin: So let us put it all together. So we have the control. We have tried to improve that with treatment one, treatment two, treatment three, Jon has already explained you the differences between these treatments and I think it is time for results but I really want to hear what the audience thinks. Which ones wins? 1, 2, or 3? Tell me quickly audience. Here comes their notes and I am expecting this and I think the audience is going to get it right. By the way the general vote, the first time around was wrong. 74% of the time when we do marketers intuition and test it, it is incorrect.

But I think most of you are getting it and I think you are believing that it is probably going to be the hybrid. I see a lot of 3s, Melvin is at a 2, and I see Robert, courageously holding on to 1, Robert, congratulations. There are no trick questions here, it maybe a 1. We are going to share with you what the data says but, let us go on, Wayne Casper says 3, I see Sheryl has 3, Eric has 3, and Tim has a question mark. Tim I don't know what that means, a question mark, I don't know how to rate that on our scale and a lot more 3's coming in and Grant, what does "Ha!"mean? Apparently he knows something that we don't know.

marketing**experiments**

Experiment #2: Results

↑ 40% Increase in clickthrough rate
Adding 'Symptoms' to BOTH headline and description produced a 40% increase

Version	CTR	Rel. diff	Stat. Conf
Control	0.28%	-	-
T1- Headline Change	0.26%	-5.8%	60.6%
T2- Description Change	0.21%	-26.5%	99.9%
T3- Both Change	**0.39%**	**40.6%**	**99.9%**

✓ **What You Need to Understand**: By applying the insight from the previous test and inserting 'symptoms' into both the headline and description, the team was able to create more successful treatments across all ad groups.

Dr. Flint McGlaughlin: Keeping that in mind, we are all laughing in the studio, we are looking at these and we are going straight to the results. Here they are. So look at the difference. So it was the combination T3, which I think most of you expected changing it at the headline level and at the description level and that produced a further gain of 40.6% What are your thoughts on that Jon?

Jon Powell: It is like I say to a lot of partners, sometimes you cannot separate coffee, meaning you cannot separate it from the cream and sugar. It has to be combined to get the full effect and that is what we really wanted to understand here and that kind of proves a point and in order for them to truly get the symptoms approach to see it and to connect with it and to click they needed to see it both in the headline and in that first line of description.

Dr. Flint McGlaughlin: Excellent Jon. Appreciate it very much. Jon is a rising star in our group and I remember when he started, I will tell on. He starts in MECLABS years ago as my assistant and now he is a senior leader and I am very proud of him. Let me keep going and I am going to now take this to three questions. So let us stop for a second. Say to yourself, I don't have all the perfect data. I have got some paid search ads. I have some test results. But what is the general track I can follow as an ordinary marketer to get more wisdom and so I can predict behavior better and so I can achieve my KPIs and so I can get promoted so one day I can run the company and I can fire the mean sales person who has been abusing me and set this organization right.

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Knowing enough to predict
Behavior reflects identity

Which? → Why? → What?

Research Question

Theory Question

Value Proposition Question:

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

Ideal Customer
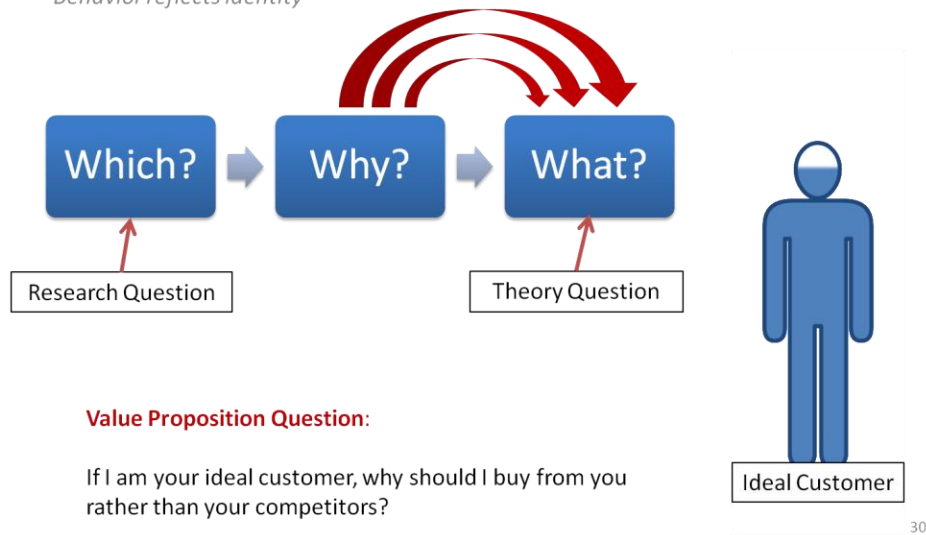
Dr. Flint McGlaughlin: Sort of that cause and effect change, thinking about it that way let me show you the three questions that we think drive this kind of wisdom. The first is a research question and it is "which." "Which headline" and "which approach," whatever that value is, that you are changing in the variable that is your question and a good research question always begins that way. But once you get the result, you have to do what Jon did. You have to say but why and when Jon asked that questions Jon noticed that the ads that were winning were those that were focused on symptoms.

This is in the first experiment, which led to a deeper question what does that tell me about my customer and my answer to that informs your customer thought what you can known that way about your customer can help you achieve a more robust understanding, gain that competitive advantage, predict the customer's behavior and so Jon then postulated a new test that would confirm what it was suspected and he would go right back to the which, the which approach, the headline only, description only or headline or description and that gave him a new set of whys and he tried to tell you about coffee, cream and sugar to explain what he was thinking.

Which makes him think about how you penetrate into the mind of the person with high impact which brings him back to the what question and all of these connect and they increase the wisdom that we are giving. We worked with the ROI revolution people on this and I appreciate Tim and his group for being good partners and helping us implement this campaigns and it has had a major impact on this organization's paid search. So, well done to everybody that was involved in the process.

Now let us keep cashing it in. Follow it in, I want to keep teaching. I have two more principles and they get easier to understand and easier to apply as they go. By the way before we are done, I am going to show you what appears to be a colossal failure on the part of our own team and an embarrassing set of experience and those who are coming towards the end and for now I am going to move you to this next piece to illustrate my point, you see the which, why and what, here is an action.

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Dr. Flint McGlaughlin: By the way that just kind of rounds up what I am going to say. Because driving that is this more robust customer theory that helps you refine this value proposition and I just want to pause here because I frankly that got animated after I got done saying everything that I could think of saying and now that I see it on the screen it is rather clever and so I want to bring it back to you. The which, the why, the what, informed this whole business of customer knowledge and customer theory and the increased knowledge about the customer, the customer theory, translates into a more refined value proposition. You may be in right now with your team struggling to get the value proposition right for a product, and struggling to get it right for a whole organization and this is where the testing process comes in.

The internet is more in another channel. We will talk about that in another point coming up but as you keep moving through this series, you are able to fill in those gaps and thus improve the articulation of your value proposition.

Knowing enough to predict
Customer Theory applied
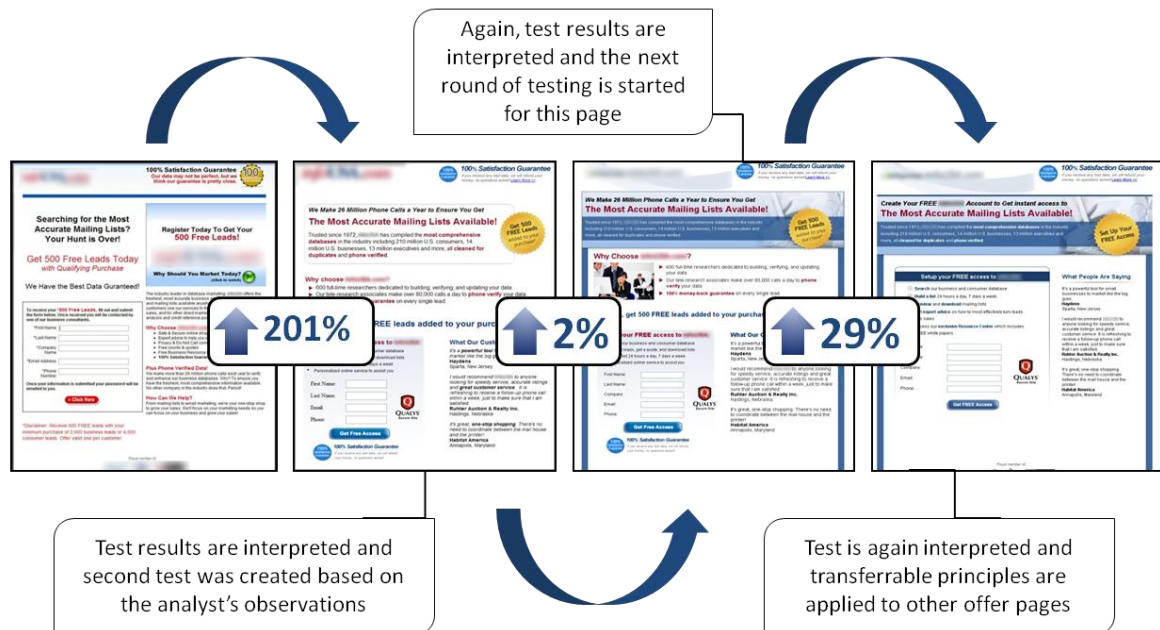
Dr. Flint McGlaughlin: Which brings me to an example. Here is a group, they had a value proposition and it was poorly communicated and they worked very hard on solving it and they came to classes, they came to training and finally we ran some tests to help them solve the issue and I want you to see how the first treatment, when I looked at what we did, but the first treatment produces a 200% gain, and you think you are done.

But that leads to a round of "which," "why," and "what." So a new cycle goes and we are going to move this now to templates without hurting the actual performance because we have to get content on a

template and we wonder how that customer is going to do and how they are going to react to that particular presentation. Can we move it without losing them? We move it carefully and we get a minor gain and we don't go backwards and we set a baseline and we go through the same cycle again, "which," "why," and "what." And that drives another 30% improvement and it is compounding and it is actually hitting the PNL now in a significant way and that cycle sets us up at some point, remember that illustration from the previous slide, that silhouette of the customer and the blue line rising as we gain more knowledge and at some point we hit critical mass.

Knowing enough to predict
Customer Theory applied

- The discoveries and insights about customer motivation from the three prior tests were applied to other landing pages and used to optimize PPC campaigns.

- The purposeful effort to identify and selectively apply these transferrable insights led to widespread optimization gains.
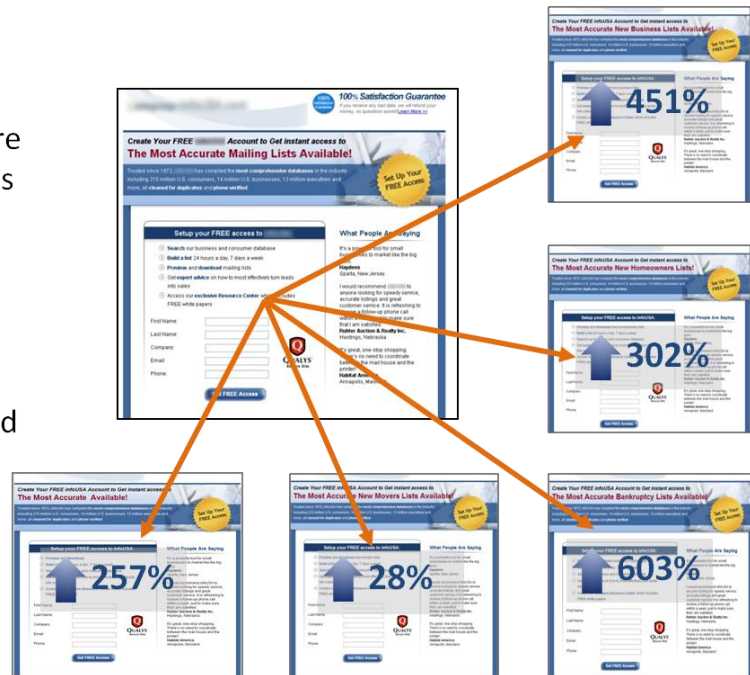
Dr. Flint McGlaughlin: That critical mass translates to what we see here, which is gains all across the enterprise. Gains that are being captured from this kind of new understanding about what is happening in the mind of the customer and that is what I am trying to say in simple form, ground is experimentation and we have been learning this from 10,000 plus tests across landing pages and paths like this and this brings me to the second principle.

Principle #2: The internet is a laboratory

Dr. Flint McGlaughlin: The internet is a laboratory. I want to explain that in more depth.

How can we predict success?

☞ Key Principles

PRINCIPLE #1:
Customer research can generate an overwhelming amount of data. All we need to know is enough to predict customer behavior.

PRINCIPLE #2:
The Internet is not just another marketing channel, **it is the primary laboratory for conducting customer research.**

Dr. Flint McGlaughlin: We said earlier that customer research can generate an overwhelming amount of data and all we need to know is enough to predict the customer behavior. Well say now that the Internet is not just another marketing channel, it is the primary laboratory for conducting customer research and this is what got me involved years ago. Let me check my time. I have got to be careful because I can wax eloquent on this point and get us behind.

I was a philosopher trying to understand value exchange and we are releasing our catalog right now with research over these past many years and I remember thinking if the nodes increase and the bandwidth increases between the nodes we are going to see human activity in real time measurable like never before in the history of the world. And that at point I couldn't find anyone excited about it. I tried to get professors at Cambridge to do research and I tried a lot of things and then I finally founded this laboratory that grew into what it is today and at the heart of it is a simple question, why do people say yes, why do people say yes, why do people say yes and underneath that has been this capacity to use the internet to cut through philosophy and do science and answer the questions.

Now I don't want to stop doing philosophy, philosophy makes you go back and makes you question your wants. It makes you question your operating system that your software is working within and when I your software, I say our mental software and our linguistics and all those ways in which we approach marketing. But, science has allowed us to measure, to peer into human behavior in real-time and that is what the Internet can do for you.

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The Internet as a lab

The Internet has become the most efficient means of gathering business intelligence BEFORE a major online (or offline) campaign.

"To know what people really think, pay regard to what they do, rather than what they say."

– Descartes (source unknown)

Level 3

Level 2

Level 1

The Decision Resolution

Behavioral Experimentation

Opinion Research

Marketing Intuition

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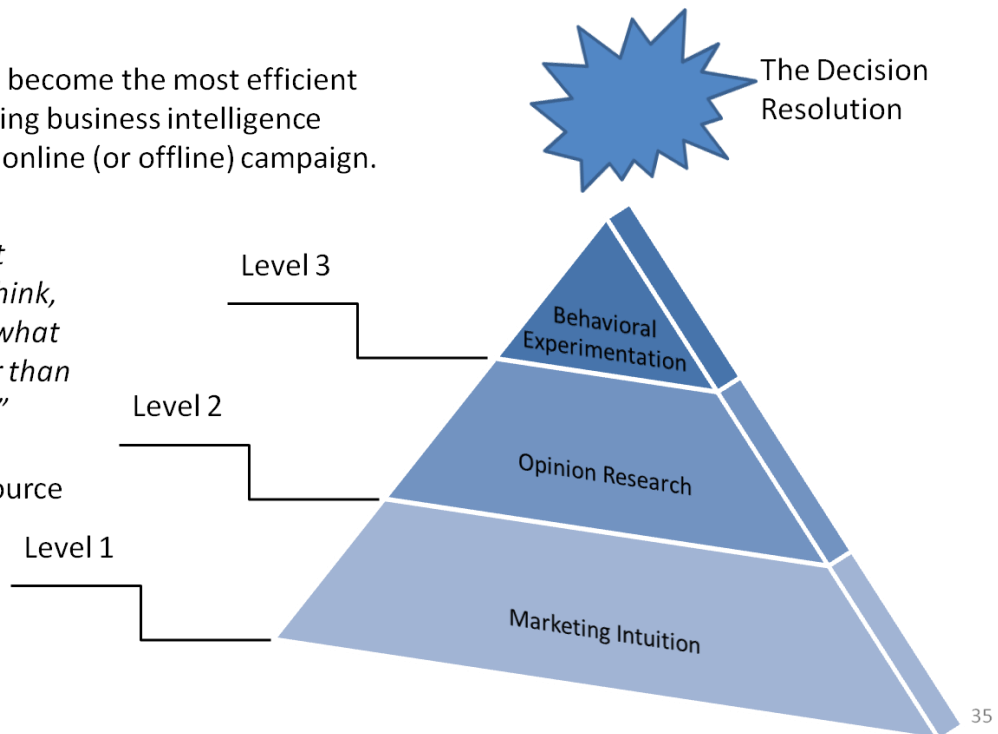
Dr. Flint McGlaughlin: So, we need to know how to do that and how to approach that and this was lifted from one of my books, I don't know why it says source unknown, because you didn't have time did you? You need to put the source and I will give you the source. I actually had been fling this on slide just a few minutes before I got up to teach, I just mentioned it to Paul. "To know what people really think with regard to what they do, rather than what they say. "

Now that is a translation from the French and we will get the original source and make sure that is in the deck when we go live. Now the point I want to make for you is way back then, Descartes saw into human nature and had an insight that is still profound and still relevant today. If you want to get inside of your customer's mind, don't rely on focus groups or opinion research. Are focus groups wrong? No, they are not. Are they absolutely useless? No they are not, but they are used so many times to justify what an executive already knows. They are used so many times to validate a new launch when in fact they don't produce the desired results.

Why? Because it is not what people say that matters, it is what they do. An alignment between what we say and what we do is important as marketers, but the customer often doesn't even know what they are going to do with the given offer until it is presented to them in a real life context. And so, you are going to see this pyramid an approach that grounds the intuition of the marketer which we think is valuable. I keep stressing to my team that I have had 15 years of rigorous emphasis on science inside of this lab that it might someone think that we believe the science component is the critical and only component that should drive effective marketing, I do not think so. I have too many gaps in my knowledge and there

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are too many questions unanswered and both about the approach to marketing and about what is happening in the mind of my prospect. I have to use art. I have to use perception. I have to use intuition to bridge the gap and by the way so do most scientists in any endeavor. Look at Kuhn's work on that and all the subsequent arguments since.

The point I want to make for you is that marketer's intuition is good, but marketer's intuition then needs to be followed up with a process. And their opinion research can narrow down alternatives and provide you with certain guidance that helps you to design proper experiments, but in the end it is a behavioral test. For those of you that say it cannot be a behavioral test focus groups are to be enough. It is always a behavioral test because whether you call the test or not at some point you got it to market and try to sell it. And whether it sells or not, how often, how well is the ultimate behavioral test. I just prefer to fit in on purpose than by accident and so I like the first phase of that to be a test phase as opposed to a make or break promise to the management team.

The Internet as a lab
Traditional marketing process

The Traditional Marketing Process

Business Leader Creates Product → Agency delivers creative → Marketing Implements

Online marketing has simply been **ADDED** to the process.
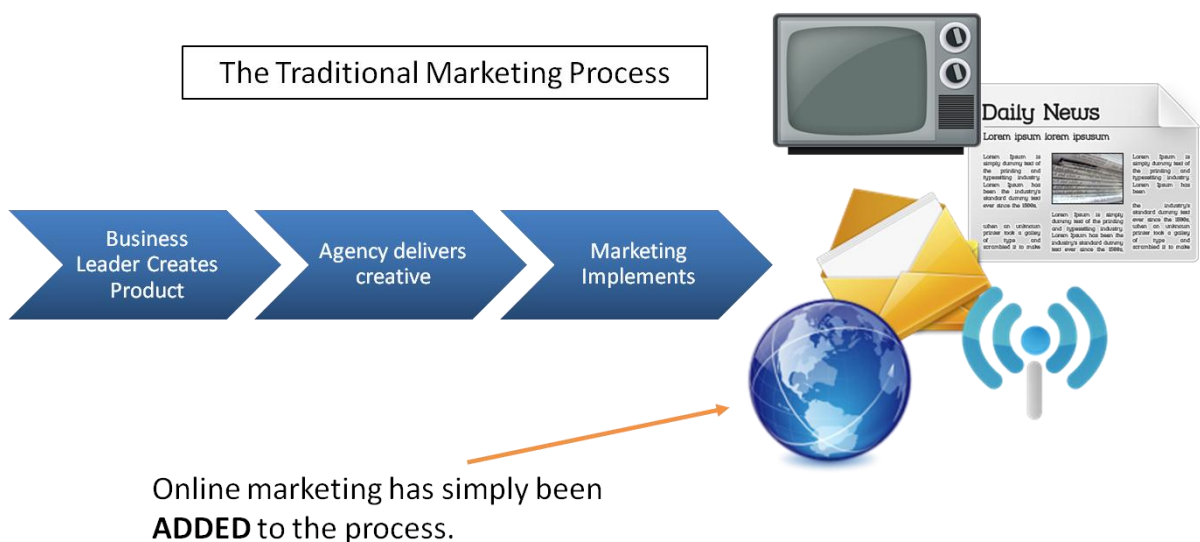
Dr. Flint McGlaughlin: So keep this pyramid in mind and let us think about it, a little bit more. Here is the traditional approach. Now if you are on the phone right now, you might be saying amen to coin a phrase. If you are in the mid-level marketing and you cannot get the C-suite to give you the permission to do what you want to do then I am sorry if that is all you can do, but for those of you on the phone with the power to make it change, let me show you that this traditional model is broken.

And what you often see is the business leader creates the product and it is pushed out throughout the agency, there is a briefing that is done, and there is creativity that is prepared and there is a media buy

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and it is implemented across the marketing organization and at some point in that process down the road, it is pushed over to the online group. Often we see a fracture the online group is not even part of the off-line group and they are separate, but however it comes to the online group too late. If you really want to use and I have seen this, this is not just a theory, I could point to major companies around the world and we have done this and I have seen a dramatic impact on the results and with pre-tested value proposition and we do that by getting the internet piece here, right at the beginning.

The Internet as a lab
Behavioral-based marketing process
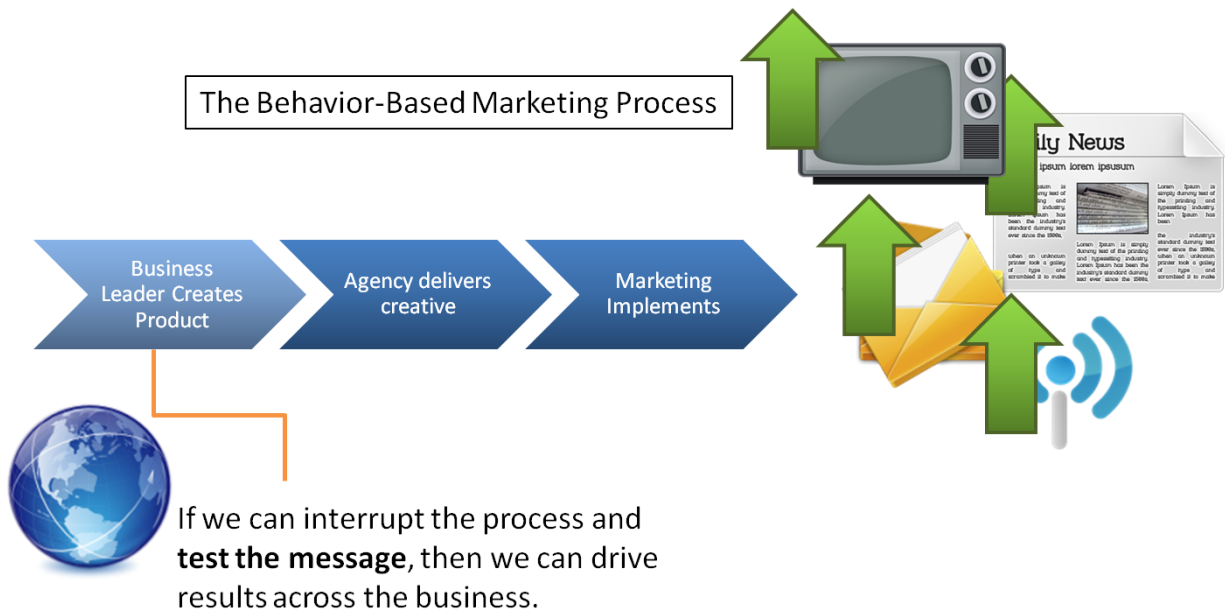
Dr. Flint McGlaughlin: When business leaders are creating a product they need to test the validity of their thinking using the online approach to refine both the offer in the form of the value proposition and the messaging all around the offer before it reaches the agency and the agency should be given guidelines. NOW if you are on the phone and your agency and there are many agencies on the line, I am not trying to take this away from you and in fact you may have to do this at the beginning of your process to enable your company to function properly.

In some cases if the agencies would do this first, it would give you a major advantage over your competitors number one and number two it would solve a problem inside of these major companies who cannot get the business leaders to do it in cooperating with the online group and in cooperation with the agency. All I would suggest for you is that you need to view the internet as a lab and you need to involve this research on the front side and then follow-up with your creative and the implementation of the marketing and to all the other online and off line channels the model you are seeing on the screen right now, this particular model has yielded dramatic results all over the world.

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The Internet as a lab
Example

SEO Landing Page

Offline Campaigns

548%

Higher investment channels

Homepage

141%

Lower investment channels
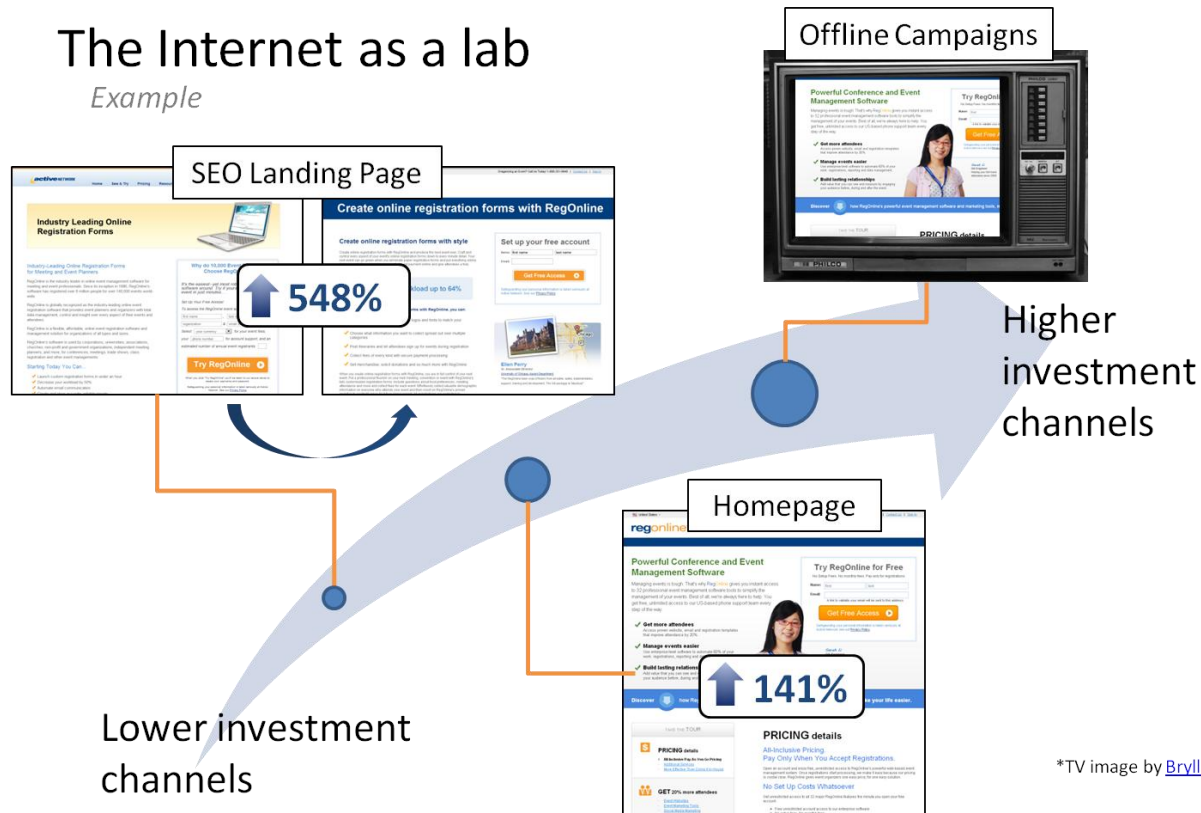
*TV image by Brylle

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Dr. Flint McGlaughlin: So, keeping that in mind, I want to take you to one more point quickly and then we are going to get to the third principle. You can see this slide which I will just shift, Paul Cheney who helped developed this put this slide together showing you actual examples from our own files and showing you how these investment channels like the internet can help you craft you messaging before you get to the higher investment channels and Paul has already said it, but it is a very pretty slide so I have to say it again, and put it up there and I know I already spent hours on that.

Principle #3: Negative tests can generate positive results

Dr. Flint McGlaughlin: So I am on to the third critical point. This one is the one that you will find counter-intuitive. If your time is limited, I think this will be the point that you might find you're most interested and actually quite practical and not to mention the fact that I am going to show you some embarrassing test results.

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How can we predict success?

☞Key Principles

PRINCIPLE #1:
Customer research can generate an overwhelming amount of data. All we need to know is enough to predict customer behavior.

PRINCIPLE #2:
The Internet is not just another marketing channel, it is the primary laboratory for conducting customer research.

PRINCIPLE #3:
The goal of a test is not (simply) to get a lift but rather to get a learning. **Even a negative test can translate into a positive result.**

Dr. Flint McGlaughlin: So here is the third principle. The goal of the test is not simply to get a lift but rather to get learning and even a negative test can translate into positive results.

Experiment #3: Background

Experiment ID: *(Protected)*
Location: MarketingExperiments Research Library
Test Protocol Number: #TP1092

Research Notes:

Background: Company is a publisher of electronic marketing information and offers related services.

Goal: Increase registrations for a free email newsletter.

Primary Research Question: Which sign-up page will yield the highest conversion rate?

Approach: A/B/C Multivariate test involving changes in headline, credibility indicators, and images according to optimization best practices.

Dr. Flint McGlaughlin: Let us talk about that. Here is test protocol 1092 from our library. The company is a publisher of electronic marketing information. They are experts in marketing and they are selling their

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expertise. This is not us, it is a British company and the goal was to increase registrations for a free letter. They had a thoroughly optimized page, it was the highest producing page, it is on the surface ugly, and it didn't work. They came to us and said can you help us.

Experiment #2: Control

What are some problems you see with the control?

Dr. Flint McGlaughlin: Here is the page. Now you can see the page is simple. You can see there is nothing particularly attractive, in fact if you are agency you probably get fired if you produced a page like this, but it produced significant revenue for them and then we began a series of tests. I would like to show you two treatments.

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Experiment #3: Treatments

Treatment 1

Treatment 2

Dr. Flint McGlaughlin: Here is treatment one, it involves a lot of things that we teach and by the way you will see the gray on here and the gray is because we are attempting to essentially anonymize the organization, but you will see testimonials, major brands, third party indicators, different headlines, you will see the treatments.

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Experiment #3: Treatment 1

- Clearer headline emphasizes the value proposition.
- "Featured Clients" list emphasizes value and reduces anxiety.
- Bolded key terms make body copy easier to read and scan.
- Form fields are reduced to the bare minimum.
- Costumer testimonials reduce anxiety.
- Anti-spam seal reduces anxiety.

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Dr. Flint McGlaughlin: In fact let me just look at the major breakdowns, these are things that you have heard us talk about in clinics. Clear headline emphasis, featured clients, bolded key terms, forms field reduced, I mean friction and all of the things that we talk about and the conversion sequence and have been implemented on the page and it is a good piece of science.

Experiment #3: Treatment 2

- Headline is stronger and more quantitative to emphasize the value proposition.
- Added more testimonials.
- Rearranged page to give better site flow.
- Added personal feel with images and hand-written signature.
- "Tell me where to send..." language used.

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Dr. Flint McGlaughlin: Let us look at treatment two, again another approach, headline is even stronger, added more testimonials, rearranged page to give site flow, added personal field with images and handwritten signature, we improved the request with tell me where to send.

Experiment #3: Side-by-side

Which of these treatments had the highest conversion rate?

Dr. Flint McGlaughlin: Look at these two pages and look at them side by side, and right now next to the control and as you look at the them ask yourself a question, which one of these is a highest performer and why? I will like you to vote. So audience tell me, here you go. I am watching, watching, I am watching. Some of you, two, three, three, I saw several 1s, 2, 2, 2, 3, 3, and I saw several 1s, 1, 2, 2, 3 and interesting, interesting, interesting and there is a guy who says "C", I assume that he means 3. Hamad says 3, Lisa 2, Sally 1, Jon 3, Tom 1, all right.

Experiment #3: Treatment 1 results

Conversion Rate = 14.26%

Conversion Rate = 6.74%

↓53%

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Dr. Flint McGlaughlin: Looking at these three side by side. Let us look at the results. What you will notice is the conversion rate for the control is 14.26%, and treatment one is 6.74%. We managed to grow conversion by a negative 53% with our fancy treatment and by the way I don't think that our treatment is very attractive. It is a test, but it is isolating variables and it is improving many of them.

Experiment #3: Treatment 2 results

Conversion Rate = 14.26%

Conversion Rate = 6.84%

↓52%

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Dr. Flint McGlaughlin: Let us look at treatment two, treatment two is in front of you and you will see that we improved our performance moving from a negative 53% to a negative 52%. Now in case it hasn't hit you yet, that is not a positive thing on the surface and it is negative. Conversion rates went down. Way down. And I want to challenge you for a moment, because the conversion went way down but I would challenge you with this thought, the pages one and two are actually better. There are better pages, but they are not better performing pages.

Experiment #3: Results

53% Decrease in conversion

The lowest performing treatment decreased conversion by 53%

Version	CR	Rel. diff	Stat. Conf
Original	**14.26%**	-	-
Treatment 1	6.74%	-52.7%	95%
Treatment 2	6.84%	-52.0%	95%

✓ **What You Need to Understand**: Through the negative lift in this test, we were able to learn that the customer was already sold by the time they landed on this page.

Dr. Flint McGlaughlin: In the end, it is not always the better page that wins. It is the better message and the message is synchronized to the thought sequence of the individual who is interacting with your creative. We optimized the web page but we failed to optimize the thought sequence and that is because we didn't have enough customer data yet, and now by the way these were what I would call "planned failures" and in fact these tests were not failing tests, they were valid, number one and number two they produced important learnings and I really want you to stop and think differently about the testing process and the goal of these tests was not to get a lift and it was to get a learning and these tests helped us understand something very important about the thought sequence of the individuals interacting with this page.

So I share that with you because I want you to start to think differently about your whole testing process. If you get a maximum lift, it is going to be not simply because you got lucky and ran a few chaotic test designs and scored, but rather because you gained a significant or sufficient understanding

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of the customer's thinking process. The enemy of excellence is adequacy and often what is costing us the most is our successful test.

Our successful tests are costing us because we think we have optimized the page after all we have the 20% lift. But listen to me, if you probably announce to the management team that you got a 20% lift on that page and because it is successful you move on and come back a year later and test it again, how much money have you lost if you should have and could have got a 60% increase on that page and now for the next 12 months you are leaking the differential. That is going on everywhere. And so we need to be careful that we are not thinking about lifts, and we are thinking about learnings and then we are translating learnings into the greatest possible lift. That is what is going on here. We are learning something very important about the customer's process.

Experiment #4: Control

Control

Free Access to Britain's Leading MARKETING Website

- Common landing page best practices failed to improve conversion on this original page.

- Began testing removal of elements from the page to match visitor motivation levels.

- If adding elements to increase the value proposition decreased conversion, maybe the traffic to this page was already highly motivated?

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Dr. Flint McGlaughlin: Here is the control and what you need to understand and what we suspected as we started studying our data sets and planning the tests is that the customer was in a different mindset when they landed on this page and by going back by studying what was happening in the channel we knew that they came here to get instant access and they were already sold. If they are already sold, if they are that mature in the thought process, then everything that they are doing to resell them is only giving them more reasons to think about why they shouldn't make the purchase or shouldn't at least make this next micro yes in the unfolding journey of micro yeses.

So the difference here is that we have to match the page to the thought sequence and instead of applying the MECLABS researched best practices, to fix a page, what we are really trying to do is use

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these tests to eliminate options to understand how mature the thought process was so we could create the page that would appeal to them at just the right point in the sequence of micro yeses and in doing so we discovered that the best way to improve conversion was absolutely counter-intuitive and this isn't on my slide but if you are taking notes you may want to write this down. There are only three ways to fix this page, and this is philosophy and I am going to give you imminently simple translation of philosophical principles.

They go all the way back to Aristotle, but we will keep them very simple and all that you can do is change something, let us put it this way. You can change something you can add something or you can take something away. Let us just think about a page, you can change the headline and you can add more content and you can take more content away. But you cannot really do anything else; it might be the same with the graphic, but including all the elements you have got three choices and mostly what we do is change an ad, change an ad, change an ad all too infrequently do we take away and often taking away produces a higher lift and in this case, here is what we did.

Experiment #4: Treatment

- Much of the copy on this page is removed, leaving simple form submission fields.

- No real selling points are included in this design.

Dr. Flint McGlaughlin: We reduced it dramatically and now remember this was for a marketing company. They were already experts in marketing and they had already done all kinds of optimization and they had produced a page that gave a significant yield and that is a very profitable group. But now we did something that was probably completely unexpected. We took their best work and cut it in half.

Experiment #4: Side-by-side

Dr. Flint McGlaughlin: So look again at the control and at the treatment. What is the difference between these two?

Experiment #4: Results

78% Increase in conversion
The treatment increased conversion by 78.12%

Version	CR	Rel. diff	Stat. Conf
Original	12.09%	-	-
Treatment	**21.54%**	**78.12%**	**95%**

Dr. Flint McGlaughlin: This, a 78% increase. I want to go back and I am going to take the slides back.

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Experiment #4: Side-by-side

Dr. Flint McGlaughlin: The treatment on the right produced 78% more than the treatment on the left. What is happening here? What is happening is that we are dramatically reducing, dramatically decreasing the amount of content so as to match where they are out in the thought sequence, which is I just want to do this and how do I do this as simple as possible. The text above the box required them to engage their mind and make more meaning and once they have the point, that you have micro yes, you want to do nothing that slows the velocity of the sale. The velocity of the sale is a key to achieving maximum conversions and so we intensify and we increase velocity by reducing and in doing so they got a lift.

Test Cycle: Results
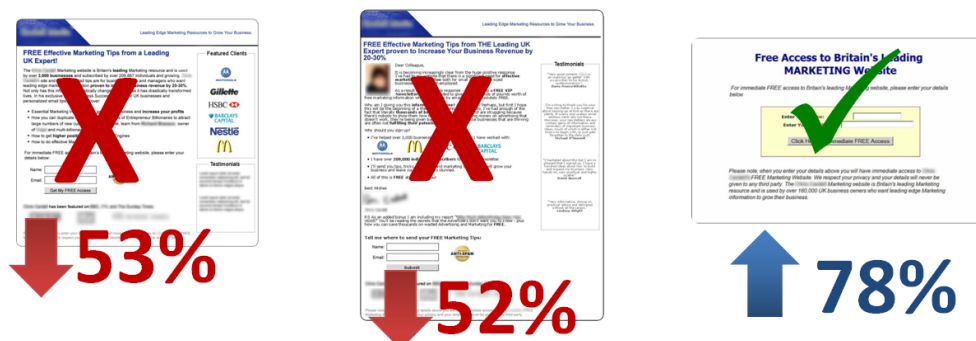
☑ **What You Need to Understand:** Without the "negative lifts" that challenged almost every part of our normal optimization methodology, it would have taken much longer to achieve the eventual 78% increase.

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Dr. Flint McGlaughlin: What is the summation of all this? It is really this. In most companies that test sequence would appear to be something like this, we tried, we failed, we tried, we failed, and here we got it.

Test Cycle: Results

✓ **What You Need to Understand:** Without the "negative lifts" that challenged almost every part of our normal optimization methodology, it would have taken much longer to achieve the eventual 78% increase.

Dr. Flint McGlaughlin: That is not the real way to view this test. We tried, we succeeded, we tried, we succeeded, and we tried and we succeeded yet again. The gain comes and is built on the other two experiments, and you got to think about testing in that way and may I say you have got to keep those terms of expectations in your management, in your senior leadership, so that they understand the

testing process.

Summary: Putting it all together

☞ Key Principles

PRINCIPLE #1:
Customer research can generate an overwhelming amount of data. All we need to know is enough to predict customer behavior.

PRINCIPLE #2:
The Internet is not just another marketing channel, it is the primary laboratory for conducting customer research.

PRINCIPLE #3:
The goal of a test is not (simply) to get a lift, but rather to get a learning. Even a negative lift can translate into a positive result.

Dr. Flint McGlaughlin: I am going to stop there for just a moment. And I want to summarize these three key principles and I am going to let you ask me some questions. I need you to help me Paul and I am going to try to answer some of the questions from the audience. Here is the first principle again, customer research can generate an overwhelming amount of data, is enough to predict customer behavior and number two, the internet is not just another marketing channel, it is the primary laboratory for conducting customer research and number 3, the goal of the test is not simply to get a lift, but rather to get a learning and even a negative lift can translate into a positive result.

While your questions are coming in here, let me see here. "Did site visitors know about the offer from TV and other media," said Guy. The answer is yes, yes. And then Derrick said, check out the current page. Derrick that is a funny comment. I haven't looked at that page in years. I would like to check out that page and we shall, make sure that we do that on our group and make a note to us and let us see what it looks like now.

And someone says how do we formulate, this is Daniel, and the proper research question that leads to a testable hypothesis resulting in a learning and now that is a great question. It deserves its own clinic and at the very least I would like you to fire that question to one of my team members and we might talk about it in our Paul in more depth. Jon, come on up here. You might want to answer that. Jon just mentioned he is in the studio over at the seat and he just walked up the front and Jon has written an article on that piece and it gives a brief summary on Jon.

Jon Powell: Right, I basically wrote an article on the blog on how to design the test in order to get a learning and a lift at the same time and I have actually written two articles and I have written one that addresses radical redesign and so the more complex and the simpler version which was published

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probably about a year ago or so that goes through the entire process of where do I start and how do I get to the point of test and right now I am actually working on, an article that is on test sequence. So, the broader version of that is on the Marketing Experiments.com/blog

Dr. Flint McGlaughlin: I want you to do more than that. I want to get a link post so that anybody can get that. Audience would you like to get access to those links? And I am seeing through the glass window of the studio on the other side, I don't know if Daniel is over there and Daniel is over there, Daniel if you have got comments, please feel free to interrupt and help me know how to get them to the link. Okay. So, he is going to tweet the links. And so, #web clinic, we will tweet the links to you so that you can get to that and those articles that will help to answer that question.

Audience Questions

How do you balance SEO with Value Proposition?

Dr. Flint McGlaughlin: Now, Paul I need you to be picking out questions for me because they are coming in so fast and there are so many comments and I cannot see them. So let me make sure that Daniel and team are doing that. Here is one right now. Okay, I see it. SEO versus value prop. "If you are trying to get 5% word density to rank well, it is not easy to write value prop statements." Okay look, this is a classic and we have written on this as well and we have taught on this, how to balance the SEO demands with optimization demands but one of the killers of conversion is the wrong emphasis or a the misunderstanding of how to use SEO.

You can and we can demonstrate study after study, particularly when it comes to value proposition and it is much easier to articulate your value proposition than it is to say to play with the overall design without impacting SEO. And we have principles and we are not saying it is easy to balance the two. But being aware that you don't let yourself be held hostage by SEO principles because it doesn't matter if 10,000 visit the page, and your conversion rate is so substandard that you are not gaining the lift that you could. Now I am not trying to speak poorly of SEO because we do it all the time and Jon has a comment that he wants to make. I am going to let Jon comment on that but I would like to point out for you also that even though you may have a challenge, when it comes articulating with value proposition, that typically will help your SEO and not hurt it. Jon, go ahead.

Jon Powell: Just to piggyback on what you just said. One of the tests that we have talked about probably 100 times in these clinics that I have ran, when we did the tests, maintaining the thought sequence and the value prop, we actually gained rankings in natural search rankings and increased the traffic and when we went to go test against that, the SEO guys were like wait a minute, and we don't want you to start taking things away or start changing because you got me this nice fat gain in SEO because we wrote value prop statements.

Dr. Flint McGlaughlin: Yeah, value prop will often help your SEO. Keep highlighting Paul questions for me and also Daniel you might want to tweak a link also to the clinic on balancing SCO and paid search, SCO and optimization, that very problem we addressed in a full-length clinic where I was teaching just like now.

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Is it possible to have the same landing page for organic and PPC traffic?

Dr. Flint McGlaughlin: I have a question highlighted here from Scott Small. He says do you think it is possible to have one page to be both an organic landing page and a paid landing page. I think it is possible but why would you ever do it. If it is, if you have got control over the URL then you might as well send that URL to a distinct page made precisely for paid search and you do when it is coming out of Google or somewhere and so I would, if at all possible, create separate landing pages from my paid search, any other comment on that Jon?

Jon Powell: We did just that with my research partner as well and we were able to see gains.

Can you talk about application of customer theory to engaging charitable donations?

Dr. Flint McGlaughlin: Excellent. Very good. Paul has another question and this is from Sean. Sean says, "Can you talk about application of customer theory to engage charitable donations rather than purchasing a product or a service?" Sean that is a great question. I had a conversation today with Tim Kachuriak. He is an expert on this topic and he was presenting a deck, it was 112 slides long, showing one of the largest providers of services to charitable companies and more than a 1000 charitable organizations and how applying these principles can improve two key metrics. The first one was, the first one was the number of donations and the second one was the amount of the average donation.

Tim is not an employee of MECLABS. He is a student who has been in our summits and clinics and he has been very careful to apply the principles, built a methodology around that just for non-profits and we work them as well but here is the point. You are still selling and you are still facing some very significant challenges like trust and credibility and there is a value proposition for every non-profit. In fact, non-profits are particularly competitive and it might be boiled down to the answer to this question. "If I am the ideal donor why would I give my money to you rather than to any of these other causes?" If you cannot answer that question, you are going to be struggling and the only way that you will raise money is through personal influence and personal relationships.

Optimization Summit 2012 in Denver

[Note: The Optimization Summit was held June 11-14, 2012 in Denver, CO. Links to coverage of the Summit are provided below.]

Event Recap: Notes from the Optimization Summit 2012 roundtable sessions

Optimization Summit 2012 Event Recap: 5 takeaways about test planning, executive buy-in and optimizing nonprofit marketing

Landing Page Optimization: 3 quick recommendations from the stage at Optimization Summit 2012

Dr. Flint McGlaughlin: What you need is something more compelling than that to get major tractions and we have done research with World Vision and some of the largest charities in the world and there is a lot more that we might say about that, here is what I like. If some of you are interested, I don't know how many of our listeners are interested in how to apply these to non-profits, but send us an e-mail or tweet that question to us and we will determine whether or not we might have a special clinic sometime designed just to help the non-profit sector. We are running, we are going to take a couple of more questions quickly and Paul has reminded me to take you to this slide and I am going to keep asking questions, but really Tim is going to be at the optimization summit I just mentioned.

He is going to be speaking on what he did in that work and again it is coming as a, he is not promoting MECLABS, he is coming as a student talking and he is a marketer himself, talking about what he has

discovered and applying these principles in that context. I don't know if you know about optimization summits, you probably do by now. We have many summits around the country for e-mail and many things but we had the first optimization summit last year and we sold out and in fact we had double the projections of our original attendance.

We are going to do it this year in Denver. And now you know something, I can stand up here, follow a script I have none. I can stand up here and engage hype in sales language, which I will not. But I am not afraid to say with passion that this is a remarkable event and all we are doing in this summit is revealing case studies and experiments, there are no vendors selling from the platform. What you have instead is either one of our analysts or scientists sharing with you what they have discovered or you have an actual marketing practitioner who lives everyday just like you do and by the sword you might say and trying to achieve results sharing both their failures and their successes. We had an overwhelming response last year.

Dr. Flint McGlaughlin: And I would encourage you to get registered soon. I don't want to create a false sense of urgency but I promise you we will sell out. So Paul just said from the floor that we have a special running for four more days or three more days in terms of cost. I would like to answer another question, but I would like you to come. I would like to meet the audience in person and I will certainly be there speaking and the day before, the day after and at the event.

How does Value Proposition apply to sales?

Dr. Flint McGlaughlin: With that in mind I am going to cut back over here to one more question, and it says sales calls, value props, and the positioning statement. I don't understand that. Sales calls and value props? I don't understand that. How the positioning statement is articulated depends on who it is for, and same application, the results define the persona understanding. I think I understand your question, let me just touch it in brief. When I teach value proposition, I am summarizing all of our research for nearly the last 20 years in this and here is what I would say, there is a primary value proposition that is the organization's, but it has derivatives and it is interpreted into a value prop for your prospect types, your product types and even the processes is like form buttons. These all have derivative value propositions connected to the primary value propositions. We call them the 4Ps. Primary, product, prospect and process.

I am getting ready to do a major lecture teaching how all of these come together and in fact that is the opening lecture at the optimization summit by the way where I talk about how to combine these, create these and how to use them to dramatically intensify the force of all your marketing efforts. All right, I am going to stop. But I am going to thank Jon for being with us today. It is good to see you Jon. When you stepped through my office many years ago you didn't know that you would be standing here in the studio with me teaching.

Jon Powell: No kidding.

Dr. Flint McGlaughlin: He has come a long way. My office is a classroom. I have six seats behind me and all of them are men like Jon that are rising up in their abilities and participating in everything that we are

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doing. I am talking about my personal offices right in the middle of the building and Jon, congratulations for all of your growth progress. I want to thank the whole audience for coming today. We don't charge for these clinics. There is more than 15 million dollars of free research at Marketingexperiments.com. We just ask one thing. Tell somebody about the clinic, tell somebody about the research, that is how we have grown and that is how we are building this community of marketers that are focused on evidence that want do discover what truly works. Thank you again. We will be back in about two weeks with more research for you.

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