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MARKETING EXPERIMENTS

THE MARKETINGEXPERIMENTS QUARTERLY
RESEARCH JOURNAL

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SOCIAL MEDIA MARKETING

SITE OPTIMIZATION

Welcome to the first quarterly issue of the *MarketingExperiments Research Journal*.

We've been publishing the *Journal* since 2001. And in that time, we've produced 173 issues about **site, email, and search optimization**. But the issue you're holding in your hands (or reading on your screen) is a major redesign of our format and includes:

- In-depth analysis of our latest research discoveries from the past **90+ days of experimentation**
- 17 "how-to" articles with practical techniques to put our **data-driven principles** into action
- Actionable advice from other MECLABS companies
    - **Lead generation and nurturing** ideas from InTouch
    - **Social media marketing** trends from MarketingSherpa

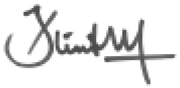
By putting all of this information in one place every quarter, we hope to create a condensed version of everything you need to know in digital marketing as it happens.

But, like our other media, the Journal will **not be a one-way communication** medium. Future issues will include a Letters to the Editor section, so send us your feedback, thoughts, tips, and ideas.

We also intend to include research from outside of the MECLABS Group. So **share your testing results** with us as well.

You can submit your letters and tests to editor@marketingexperiments.com. I look forward to hearing from you. And, as always, thank you for your trust.

Sincerely,



Dr. Flint McGlaughlin

Director of MECLABS Group

P.S. A letter to the editor or research submission is not the only way you can provide your insights. Please take three minutes to visit MarketingExperiments.com/Survey and let us know what you think of this publication and how we can educate you better.

MARKETING OPTIMIZATION

Daniel Burstein, Editor

March 26, 2010

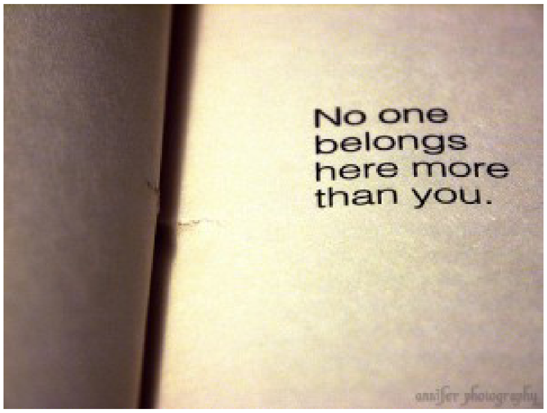
Share Your Success: Top story about a marketing test wins a Landing Page Optimization Package (a $4,000 value)

Our job is to help you do your job better. And to tell you the truth, it's a pretty fun job.

The fun part comes in when we hear about all of your successes. So while I know sometimes it can be hard to toot your own horn (even though, as marketers, we spend every day tooting our company's or clients' horns), we're going to ask you to do just that.

Brag a little, you'll be glad you did

Not only are we going to ask you to boast, we'll make it worth your while. Our favorite case study will receive a complimentary Landing Page Optimize Package (a $4,000 value).



Here's what we're looking for

If you're anything like me, you have a bit of a creative bent and don't like to be told to color between the lines. Hey, it's part of what makes a good marketer.

So we've tried to create a good middle ground, letting you know the details we need for a successful case study that the MarketingExperiments community can benefit from, while giving you the flexibility to stand out from everybody else.

The media can be anything of your choosing – landing pages, email, social media, you name it – but we'll need to know a few basic facts:

1. Comps of the control and treatment(s) – in the form of screenshots or URLs
2. Results *(we won't publicly publish specific numbers if you don't want us to)*
    - Number of observations, e.g., visits, email sends, etc
    - Number of conversions, e.g., sales, clicks, leads, etc
    - Intermediate or subsequent metrics, e.g. clicks to leads to sales (if applicable)

3. Background

    - Brief company description (*we can anonymize when we publish*)
    - Channel or audience descriptions (Where are they coming from? Is this a segment?)
    - Objective of this page, campaign, etc
    - Test dates
    - Additional info about test (stopped the test then restarted it, etc)

Now for the wild horses

Here's where the fun comes in. You can communicate this info to us in whatever way you desire. Send us a simple email to Editor@MarketingExperiments.com. Make a video on YouTube. Sculpt a giant sandcastle graph on the beach (our office is just a few blocks away, we'll check it out at lunch).

This is a chance to really stretch your creative legs and have fun. Think different(ly). Whatever you choose to do, you can point us to it by sending an email.

You have until May 31, 2010, so there is time to really knock our socks off.

So show us your biggest successes. We can't wait to see them.

Article Resources

Improving Conversion Rates

B2B Success Stories

B2C Success Stories

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January 13, 2010

Maximize your Agency ROI: How adding science to the creative process reveals a 26% gain

If these three email messages came across your desk, what would you notice about them? What do they have in common? How are they different?

First you might notice the aesthetic design of each. Then you might consider that these email messages are all professionally designed. Maybe then you would start hoping that one day your own marketing campaigns might look as slick as these do and fade into the “what I would do with a larger marketing budget” trance.

No matter how you view these email messages, we might all agree that these are typical emails that we see day in and day out from big brands that spend thousands of dollars to create designs like this. Each of these email messages was created by top-of-the-line design companies and agencies and would have represented a significant investment for most email marketers.

In fact, in the few moments it took you to read the above paragraph, your agency likely charged you a few dollars for creative time. Multiply that by the hours and (billable) hours your agencies spend on producing creative for your marketing campaigns, and the result is quite a significant investment in creative billings (and we haven’t even started counting markups yet).

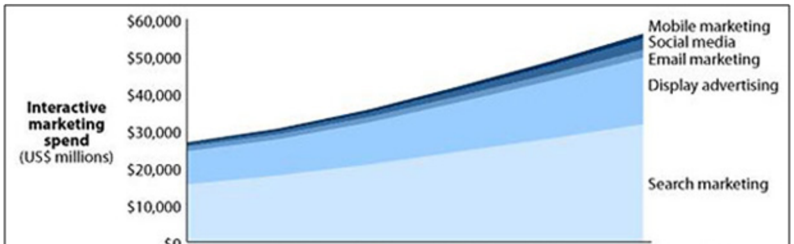
Yet, many marketers have no set way to judge the value of this investment in the actual marketplace. Some organizations use focus groups (which begs the question…does your real-world customer really put that much thinking into the color of your logo?), but many likely just use intuition, a hunch, or flat out personal preference.

In this issue of *MarketingExperiments Journal*, we'll explore how to use a scientific method to help you choose creative. We partnered with ExactTaget, a leading global provider of on-demand email and one-to-one marketing solutions, to run a series of tests that pulled some of the best design agencies in and tested their creative against one another for three clients – AAA, MarketingExperiments, and Pier 1 Imports.

Interactive marketing spending on the rise:

While in the past, interactive marketing may have been viewed as a novelty or series of pilot projects, its explosive growth has increasingly made its use central to the success of many marketing plans.

As you can see in this research from [Forrester](), in just a few short years more than one in five marketing dollars will go towards interactive marketing:



	2009	2010	2011	2012	2013	2014	CAGR
Mobile marketing	$391	$561	$748	$950	$1,131	$1,274	27%
Social media	$716	$935	$1,217	$1,649	$2,254	$3,113	34%
Email marketing	$1,248	$1,355	$1,504	$1,676	$1,867	$2,081	11%
Display advertising	$7,829	$8,395	$9,846	$11,732	$14,339	$16,900	17%
Search marketing	$15,393	$17,765	$20,763	$24,299	$27,786	$31,588	15%
Total	**$25,577**	**$29,012**	**$34,077**	**$40,306**	**$47,378**	**$54,956**	17%
Percent of all ad spend	12%	13%	15%	17%	19%	21%	

Source: Forrester's Interactive Advertising Models, 4/09 and 10/08 (US only)

47730 Source: Forrester Research, Inc.

Far from a pet experiment, interactive marketing is becoming the driver for many marketing plans…or at the very least a significant support element. As the term interactive suggests, you also need to listen to the reaction to your creative executions, not just send messages into the ether and expect them to resonate.

And the best way to listen is to test your marketing. In this way, you're getting real-world responses and understanding how your target audience really interacts with your creative. And by allocating a small percentage of those billions in the chart above to continuous testing and optimization, you create a low-cost catalyst that amplifies the ROI from your ad spend.

To understand why and how testing can help your creative selection process, we're going to zoom in and just focus on email (a $1.355 billion spend in 2010) for this issue of *MarketingExperiments Journal*. But, please keep in mind that the principles we discuss can be applied to any form of marketing.

EXPERIMENTATION

As we will see in the following three experiments, it is not just enough to hire a professional agency and have them design your emails. Sometimes the "best" in terms of design is not the "best" in terms of results. In this issue, we will show you how to make sure you are getting results for all of your marketing spend.

The following experiments are from the ExactTarget Email Design Competition in which MarketingExperiments served as the judge. We ran a series of scientific tests and polls that pitted email redesigns from three agencies against the control in-house email campaign. Then we polled both live and webinar audiences to find out what they thought the results would be. We found that often the marketer's intuition used in the polls was not able to identify the real-world performance winners discovered in our scientific tests.

These experiments were set up, tracked, and monitored by our own in-house team of researchers. The first experiment was conducted with AAA…

Experiment 1:

Experiment ID: *AAA*
Location: MarketingExperiments Research Library
Test Protocol Number: A-TP1000

Research Notes:

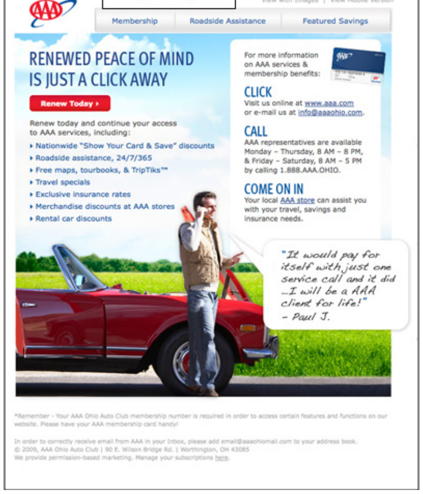
Background: AAA is a well-known B2C company offering memberships for road-side service products along with other promotional discounts
Goal: To increase the amount of clicks from the email to the landing page
Primary research question: Which email design will generate the most clickthroughs?
Approach: A/B/C/D multi-factorial split test

Designs:

The original email was being sent to current members whose subscription was going to end within 30 days. It is image heavy, but includes a single "Click to Renew" call to action.

Designs by Agency A and Agency B used similar imagery as the control (broken-down red car). Agency A tried a heavier-copy version, while Agency B kept to few words and shifted to a more horizontal eye-path with the stated benefits. Both redesigns drew attention to the call to action with a red button and placed above the fold.

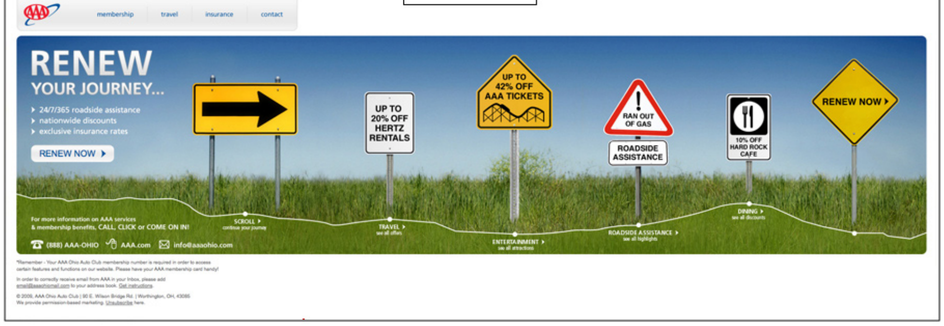
Agency A



Agency B

Agency C attempted a radical redesign of the email. Instead of taking a normal vertical scrolling approach to an email message, it designed an email that scrolled to the right. As you can see, the dotted red line illustrates what would normally be seen by an email window.

Agency C

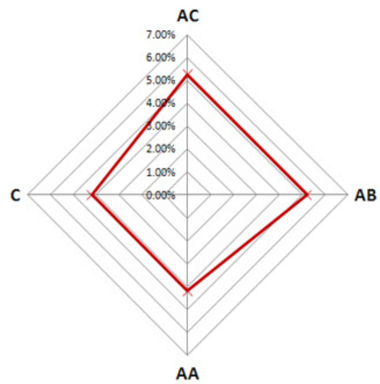


Results:

26% Increase in Clickthrough

Agency C's design increased clicks by 25.6%

AAA Email Designs		
Email Designs	CTR	Rel. Diff
Control	4.18%	-
Agency A	4.18%	-
Agency B	5.2%	24.4%
Agency C	**5.25%**	**25.6%**



What you need to understand: The email design that produced the most results was one that tried a radical strategy. This was a strategy that might fly in the face of most email best practices.

It would have been easy for Agency C's design to be disregarded due to its unconventional design, and yet it out-performed the rest.

This discovery illustrates the importance for testing creative. This radical redesign would have likely been shot down as too far "outside the box" in many corporate meeting rooms. Yet, by testing, AAA was able to save a design from the scrap heap that could result in incremental revenue.

Also, testing provides a safety net for a drastic creative change such as this. It would be difficult for any marketer to stake his career on such an extreme approach based on a hunch alone.

Experiment #2:

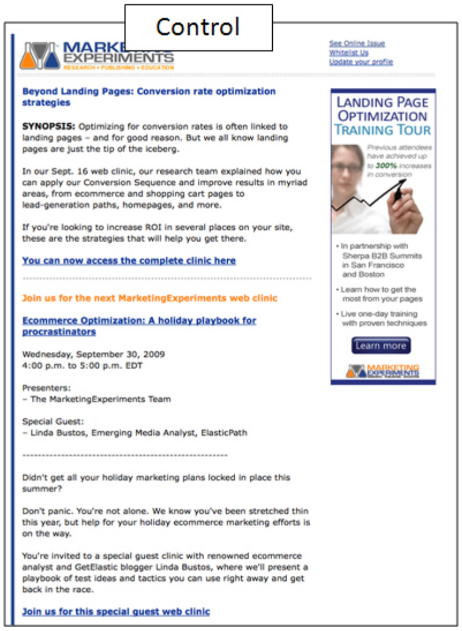
Experiment ID: *MarketingExperiments*
Location: MarketingExperiments Research Library
Test Protocol Number: A-TP1001

Research Notes:

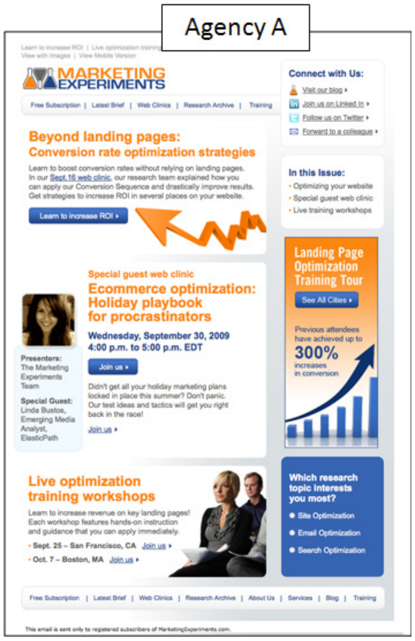
Background: The (ahem) leading online marketing research, testing and publishing laboratory
Goal: To increase the amount of clicks from the email to the landing page
Primary research question: Which email design will generate the most clickthroughs?
Approach: A/B/C/D multi-factorial split test

Control and Treatment Designs:

The control is an email that our *Journal* subscribers might see often. It is an email template that we have tested in the past and found to be successful here at MarketingExperiments. However, in the spirit of testing, we submitted our own email to the design competition.



Agency A's design took a lighter copy approach and added more graphic elements (color, banners, images) as well as featuring an image of an upcoming speaker.



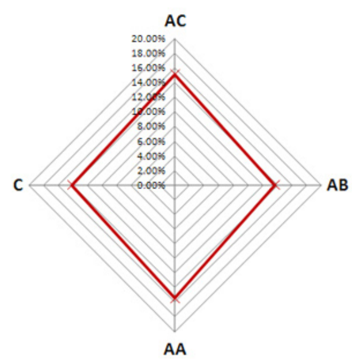
Agency B and C both maintain much of the copy but add some graphical elements. One of the biggest differences Agency B has from the other designs is that the promotional column has been moved to the left side. Agency C's distinct hallmark is the large clickable video player image.

Results:

10% Increase in Clickthrough

Agency A's design increased clicks by 9.93%

MarketingExperiments Email Designs		
Email Designs	CTR	Rel. Diff
Control	14.05%	-
Agency A	**15.44%**	**9.93%**
Agency B	13.64%	-2.94%
Agency C	15.13%	7.72%



What you need to understand: The control was an email design that had been well established and tested. And yet Agency A's design was able to improve clickthrough by nearly 10%. This underscores the importance of testing though a marketer's bias might be to go with the tried and true.

Another benefit of continuous testing is the novelty that comes with new designs. It has often been said that the word "new" is one of the most powerful words in marketing. Perhaps it is simply human nature, but most customers find a certain intrinsic value in the launch of something new. It also shows your company is continually advancing, working, and thriving.

Of course, these considerations must be balanced by the need for a strong, continuous, consistent brand voice – which again points to the value of testing creative.

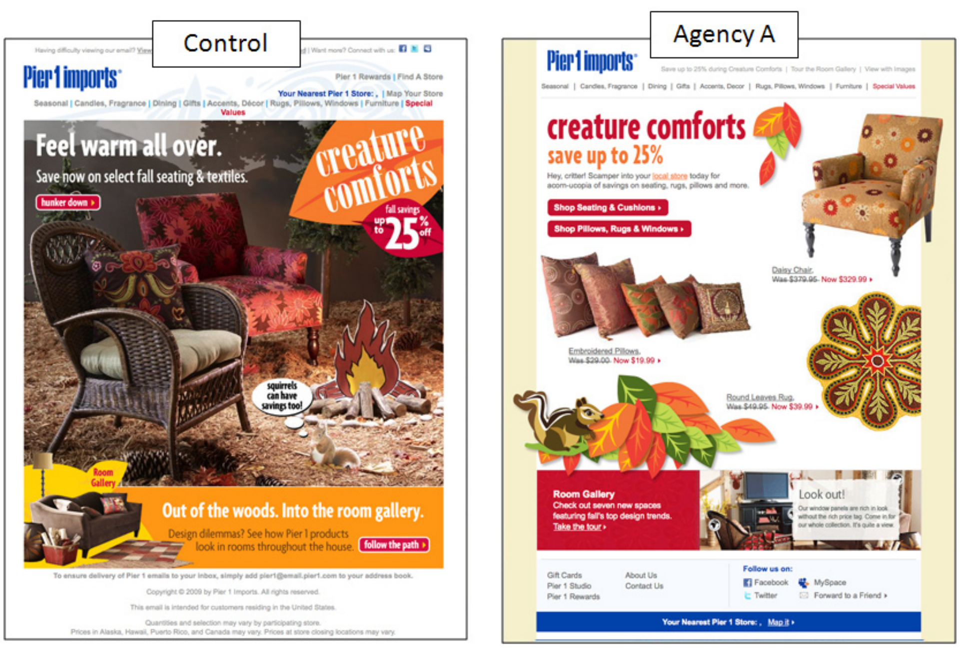
Experiment #3:

Experiment ID: *Pier 1 Imports*
Location: MarketingExperiments Research Library
Test Protocol Number: A-TP1002

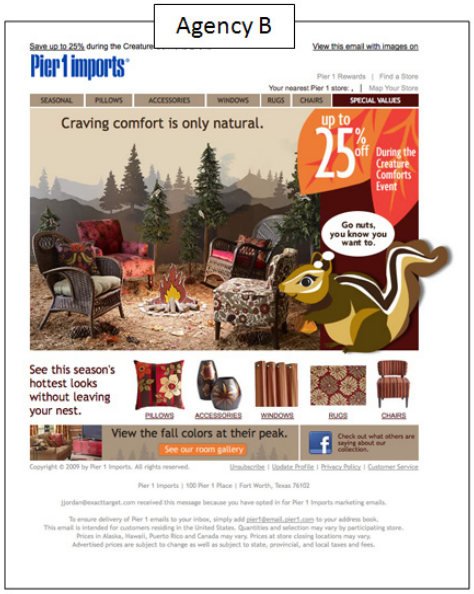
Research Notes:

Background: B2C home products company
Goal: To increase the amount of clicks from the email to the landing page
Primary research question: Which email design will generate the most clickthroughs?
Approach: A/B/C/D multi-factorial split test

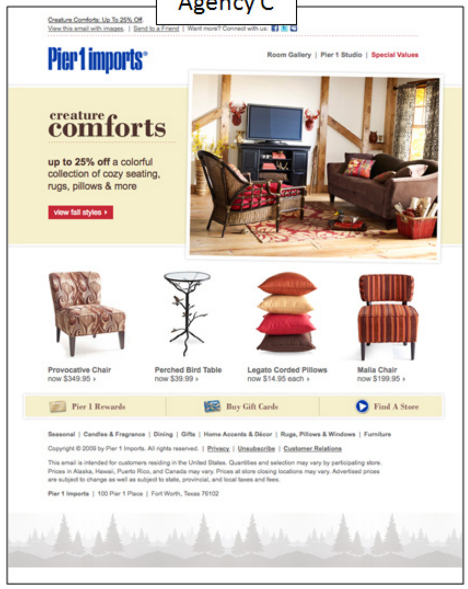
Designs:



Agency B



Agency C



A seasonal promotion from Pier 1 Imports serves as the base-line email. Agency A makes use of a white background to draw attention to different products. Agency B takes a similar approach as the control but ads a "cuteness" factor with the chipmunk graphic. Also, Agency B and C list multiple products for the recipient to choose from in the bottom of the email. Agency C takes a cleaner approach, keeping images simpler and organized.

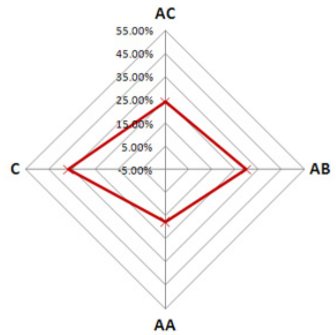
Interestingly, it has been noted that the chipmunk makes an appearance in each of the versions tested and it is obvious that there is a lot resting on this chipmunk.

Results:

52% Decrease in Clickthroughs

Agency A's design decreased clicks by 51.8%

Pier 1 Email Designs		
Email Designs	CTR	Rel. Diff
Control	**36.70%**	**-**
Agency A	17.68%	-51.83%
Agency B	29.91%	-18.50%
Agency C	24.07%	-34.41%



What you need to understand: It doesn't matter who designed it or how much you paid for it, if you don't test you could be leaving a lot of money on the table. In this case, all three of the agency-designed emails underperformed the control.

This experiment may make some agencies (and even the clients that pay them) quite uncomfortable. Remember, there is significant value to be gained by discovering not only "what really works," but "what really doesn't work" as well.

No matter how great the agency or how strong the marketing team, creative executions sometimes fail. As a counterpoint to Experiment #2, while novelty can draw attention, change can also be disconcerting to your core customers. This statement becomes truer the stronger your brand is (consider New Coke).

However, as marketers, we must keep trying new things. If we never try, we never win. Pushing the envelope makes us better marketers. And when we stop trying new things, we are in trouble…partly because we know our competition will always try to be more innovative than us.

Testing allows us to try new creative ideas without undercutting our current efforts, while continuous learning (from both our successes and failures) and using that knowledge to further improve our creative executions.

What do these three emails have in common?

So we return to the question raised in the beginning of this issue. What do those three emails have in common? Each of them is nicely designed. Each of them came from the creative powers of top agencies. However, as we have just seen from the experiments above, each of them significantly underperformed when compared to another design. These are all designs any one of us could have pinned our email marketing fortunes on and invested heavily in. But the real cost here isn't in the execution, it is in the results (or lack thereof).

- 20%

- 12 %

- 52 %

Results like these are sobering to some degree. But they lead us to the question we asked earlier: How can we make sure we are getting a return on all the investment that we are putting into our email marketing campaigns (or any marketing campaign for that matter)? How can we know that our money is being well spent?

KEY PRINCIPLES FOR MAXIMIZING AGENCY ROI

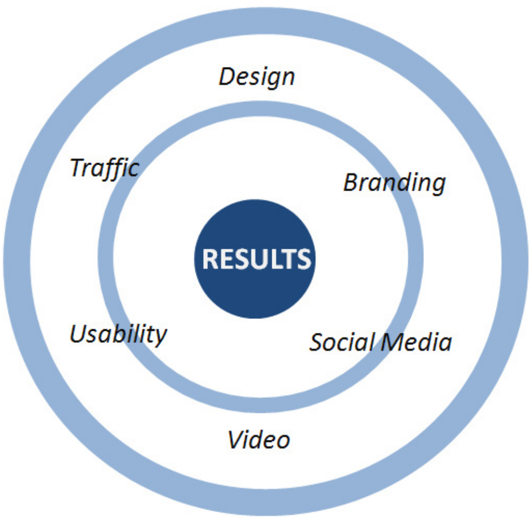
If you work with an agency or creative team, the above results are not meant to discourage you or make you regret every dollar you have spent on email marketing. But, what we want to do is challenge you and remove any blind assumptions that could really be hurting your bottom-line and show you how to get real return on your investment.

And if you are an agency, we are not trying to put you out of business. What we want you to realize is that the days of blind marketing with no measurable results are coming to an end. If you really are to serve your clientele you must be thinking and breathing ROI. You can take the principles that we are about to investigate and apply them to your offerings in order to best serve those who are depending on you – namely marketers.

So now we will explore a few key principles that can help you get the most from your marketing spend.

Key Principle #1

Objective must be results-driven and ROI-focused.



How are you organizing your marketing campaigns right now? Are you in tune with what focus groups say about the usability of your pages? Or are you worried because your CMO said that you need to be "social" this year?

Then there's the creative…are you overly concerned with finding a great design? Does it fit with your branding standards?

And how are we going to increase your traffic?

We all face these questions and are troubled and anxious about so many of these things. Yet, we are really only after one thing. Every one of these concerns is peripheral to the one main question you should be asking: What campaign is going to deliver the results your company really needs?

"Begin with the end in mind." – Stephen Covey

When you start a marketing campaign, it is important on the front end to identify the one key business objective you are trying to accomplish, write it down, and make sure all of your efforts are aimed at accomplishing that one objective.

It is also vital here to quantify results. For instance, if you determine on the outset that your primary goal is to sell more subscriptions, get more sign-ups for a conference, sell more renewals, drive more customers to a store, or whatever it might be, you must not only determine that objective from the outset, but also make sure you are measuring the right metrics that will answer that question for you.

It is not enough to just slice and dice metrics after everything is said and done and try to make meaning out of it all. Rather, you must always start with the end in mind as you run your marketing campaigns.

Key Principle #2:

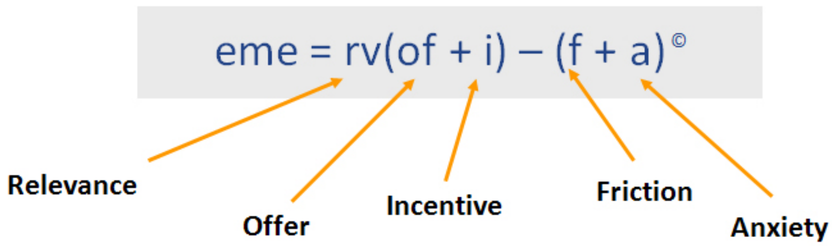
Designs must be based on methodologies that transcend best practices or gut feelings.

At MarketingExperiments, we are always testing marketing intuition and more often than not we find that even the best marketers with the most experience choose underperforming designs. Our intuition will never be as good as our ability to test.

So how do you know where to start with your designs? Some would suggest best practices (above the fold, hero shots, short copy, etc.). They would encourage marketers to take a training course, learn a handful of best practices, and make sure that they are applying them to their creative. However, even best practices can fail us as we have discovered over the years. We could show you test after test where best practices have decreased conversion.

Rule-based Optimization ***vs.*** ***Principle-based Optimization***

What we want to put forward is the notion that we have to go even deeper than best practices and get into principles and methodologies that give us a more holistic understanding of best practices and why they work and when they work. We need principle-based optimization that understands the user experience and can help us get into the mind of our visitors to optimize their thought sequences.



Here is an example of MarketingExperiments optimization methodologies for email marketing. We teach this heuristic formally and thoroughly in our Email Marketing Course. But really, you don’t have to use our methodology per se, you just need some lens or thought reference for analyzing creative design.

Email Messaging Optimization Sequence:

If we look at this underperforming email through our methodology we might quickly see the following:

1. There is friction *(f)* in the eye-path because there is little direction. The multiple columns and heavy images are all vying for my attention.
2. The headline is creative, but really isn’t communicating any specific value of the offer. *(o)*
3. The sequence of thoughts is out of order. They are being asked to renew before really communicating why they should renew. Getting the order right can help with both reducing anxiety and clearly communicating the value of the offer. *(a + o)*
4. Most of the key information is hidden in and by the heavy graphics. *(f)*

If we look at this underperforming email through our methodology we might quickly see the following:

1. There is significant confusion and friction due to the multiple, equally weighted objectives competing with one another. *(f)*
2. This email is relying heavily on images to communicate the value. Keep in mind that some people will not even see the images because their email reader blocks image downloads by default. *(o)*
3. And similar to the second point, there is also very little value communicated in the copy. *(of)*
4. This email also does not relevantly connect to the recipient. What does the marketer know about this person that could more specifically connect to them?

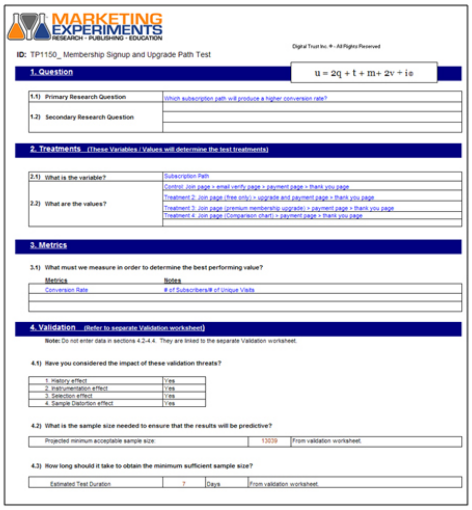
Key Principle #3:

Success must be determined by scientifically viable and statistically valid tests.

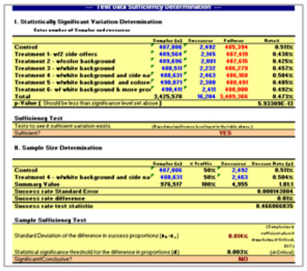
At this point, we will assume that you have had success in convincing your agency or design team to test their creative. What we are talking about in this section is really the math, the numbers, the data to make those tests works. It is absolutely vital that your tests are run with scientific precision and are valid.

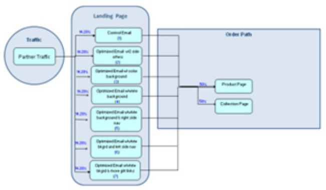
It is a bad thing to not know what design performs best, but it is an even worse thing to have invalid testing techniques that lead you to believe that you know which design performs best when you really don't. If we are going to test, we must test right. Because if we don't, we not only get in the wrong car, but we then drive it off a cliff.

So we are going to look at the key experiment questions that the MarketingExperiments research team walks through with each of our tests to ensure scientific viability. Of course, we are not suggesting that our way or tool is the only way. The point is just to show you how we do it, so that you can get a vision for how you might conduct your own tests.



$u = 2q + t + m + 2v + i_{©}$





Key Research Questions:

1. Question
1.1 What is the primary research question *(e.g., Which design would produce the most account sign-ups?)*
1.2 What are the secondary research questions *(e.g., Does long copy outperform shorter copy on this design?)*

2. Treatments
2.1 What is the variable?
2.2 What are the values?

3. Metrics
3.1 What must we measure in order to determine the best performing value?

4. Validation
4.1 How have you considered the impact of these validation threats?

1. History effect
2. Instrumentation effect
3. Selection effect
4. Sample distortion effect

4.2 What is the sample size needed to ensure that the results will be predictive?
4.3 How long should it take to obtain the minimum sufficient sample size?
4.4 How will you verify during the test that you have reached a sufficient number of sample observations?

5. Metrics and results
5.1 What are the test results?

6. Interpretation (What insights can we gain from this test?)
6.1 What is the objective interpretation based on test data?
6.2 What is the speculation on possible causes of the test outcome?

BOTTOM LINE

In order to make sure you are getting the most out of your agency, you cannot depend on gut feelings or pretty designs. You need something more objective than this, because over and over designs that look like they should win, those that have incorporated all of the best practices and have a panel of experts backing them, will and do often underperform. To get the most from your creative team you must follow these three key principles:

Objectives are results-driven and ROI-focused. You must start with the end in mind and measure for that objective. All of our peripheral efforts should be aimed at on overarching goal: results.

Designs are based on methodologies that transcend best practices or gut feelings. We must get beyond our feelings and common best practices. We need something deeper and more transcendent. We need principle-based optimization that takes a holistic approach to understand visitor motivation and thought sequences.

Success is determined by scientifically viable and statistically valid tests. It is one thing to run a test, but it is another thing to run a good test. We don't want to base our marketing effort on our gut or common best practices; but we also do not want to base it on invalid tests. Spend some time developing a rigorous testing process that will ensure reliable results.

Brian Carroll, CEO, InTouch

January 4, 2010

Lead Generation Check list: Lead nurturing for lead development

To help you start the New Year, I'd like to wrap up my Lead Generation Checklist Series with the secret to successful lead generation - and, for that matter, marketing in today's B2B space: lead nurturing.

At it's core, B2B lead generation is about building relationships. In today's commoditized business climate, the one thing that sets apart companies with a complex sale is how well they build and nurture long-term leads.

Throughout this series, I've discussed many aspects of lead generation and emphasized how organizations can optimize the process. I've talked about creating the right mindset, and how to repair the rift between sales and marketing; I've discussed how to create the ideal customer profile (and the un-ideal customer profile as well) and how a universal lead definition that fits your company's goals and culture can help organizations zone in on their sweet spot as well as the importance of a well maintained database; I've outlined a multi modal approach and emphasized its role in effective lead generation, as well as the aspects of an effective lead management process. Today, I'd like to talk about the part of the process that fundamentally stops viable leads from leaking out of your marketing funnel. Lead nurturing: It's the one thing that will make all your hard work come together – or the one thing that could make your whole process fall apart….

While lead generation initiates and perpetuates dialogue with the right people in the right companies in the quest for opportunities that are relatively imminent, lead nurturing keeps the conversation going over time, building solid relationships. It allows the creation of interest in products and services while bringing the leads to sales-ready states when the buying opportunity presents itself.

To ensure successful lead nurturing you must:

Have a lead development process in place to cultivate marketing leads into sales ready leads.

Employ methods to motivate sales people for consistent contact with prospects who may not yet be ready to buy.

Have a process for ensuring that your Sales team hands back inactive leads for further nurturing by marketing. That centralized database that I keep emphasizing will come in handy now. Sales can make notes as to why they are not going to use the leads and give feedback to Marketing at this point.

Capture future opportunities that are being currently missed and nurture them into viable sales. This is where Marketing can take many opportunities that are being ignored and keep them warm for Sales.

Leverage content to position sales people as trusted advisors. A carefully crafted lead nurturing program anticipates the prospect's questions and responds with timely answers. This inspires awareness that you are creating value by providing useful information. Relevancy is the key.

Aid in positioning sales people as trusted advisors. By consistently offering relevant content in the context of lead nurturing, the potential customer's inner dialogue should be: something like this: "You and I have been talking for quite a while, and I feel that you understand me, my company and my industry. You have given me useful and pertinent ideas on this issue, and you have helped me sell the idea to my colleagues and they understand and accept it. It's a challenging project, but I think you can do it. Let's get going."

The true value of lead nurturing comes from the disciplined technique of staying in touch while providing the "right information throughout the evaluation and buying processes. The result is optimized mind share, efficient budget spending, profitable relationships and increased business.

Don't let all your hard work go to waste. Keep your prospects interested, informed and feeling good about you. If you haven't already, I encourage you to read each checklist in my series.

I would love to read what you have to say. Feel free to make comments or ask questions.

Related Posts:

Steps for creating a true lead nurturing program
A multi-modal approach to lead nurturing
What IS and ISN'T Lead Nurturing
On Inbound lead nurturing
5 Lead nurturing tips to create relevant and engaging emails
Lead Nurturing is Walking the Buying Path with Your Customers
Lead Nurturing - Ripening the Right Bananas

Brian Carroll is the CEO of InTouch, Inc., a company that optimizes lead generation ROI by providing the essential human touch that enables sales people to focus on selling and convert highly qualified leads into revenue.

Aaron Rosenthal, Director of Channels Research

January 25, 2010

The Google Slap: Affiliate Marketers must stay in compliance with Google and the FTC

My colleague, Robert Reynard, and I just returned from Affiliate Summit. Special thanks to Shawn Collins and Missy Ward for having us. This is not the first time I have been, but nonetheless it impresses me to see the number of people who have an interest in this space.

Affiliate Marketing Regulation

One of the most interesting topics this year was around government actions which are threatening many who have profited from this space for many years. The Federal Trade Commission (FTC) is cracking down on Internet sites that profit from promoting other's products or services without disclosing within that promotion that they received some sort of compensation from the company.

Compensation in this instance is not limited to cash. Let me give you an example that I heard at the show:

Let's say a stay-at-home mom begins a blog to help other stay-at-home moms. A diaper manufacturer sees that blog and decides to send her a box of diapers with the hope that she would try them on her children and then blog about how well they performed.

That mom must disclose that this was a gift from the manufacturer and she must disclose that this blog post is partial to them for that reason, even if she would have blogged about "the diapers making it through the night without leaking" anyway and was in no way influenced by the fact that the diapers were a gift. In other words, even mommy bloggers could be held liable for product reviews.

This may be an extreme example, but thanks to some who may have been taking advantage of consumers through use of exaggerated claims and fake reviews and testimonials, it has become a necessary part of affiliate marketing.

Google Adwords frustration

Another hot topic surrounding this event was affiliate frustration with the Google Adwords program. Over the last year, many affiliates who used Google Adwords to advertise their site(s) were notified that they were no longer welcome to use the Google advertising platform.

OK, so "notified" may be a bit of a stretch, typically the way they found this out was without any sort of notification at all but rather by noticing that sales are lower or perhaps non-existent and logging into their Adwords account to troubleshoot.

After looking around for a bit, they probably found that everything seemed to be in order. On the surface at least. They then may have scrolled over a status column which, when hovered over, opens a small box showing a users Quality Score. To the affiliate's surprise, the Quality Score ranking that once read 7/10, 8/10 or even 10/10 now says 1/10.

A 1/10 Quality Score ranking in Google Adwords is about as effective at removing advertisements as deleting the campaign altogether. Worse yet, starting over with a new campaign will not help. An advertiser's Quality Score remains with their domain.

I have heard, but this has not been confirmed by Google, that the only way to receive a 1/10 Quality Score across an entire account is for a Google Policy Team Member to manually place this on the account…meaning that this does not naturally occur. Perhaps this is why affiliates have affectionately labeled this occurrence a "Google Slap."

Can you imagine being in business one day and out the next? That is what is happening to some of these affiliates. So why would Google do this? After all, affiliates are paying them, right? Well, Google, like the FTC, is probably reacting to the bad apples. Google is fanatical about protecting its customers (i.e. search users) and if it takes hurting some legitimate affiliate's business to protect customers from the bad apples, it looks like Google is okay with this concession.

What this may mean for 2010

It will be interesting to see how both of these situations play out over this year. I counted 46 businesses from the advertising and marketing industry that made last year's *Inc* 500 list of the fastest-growing companies, private companies.

Many of these businesses have deep roots in the affiliate marketing business. Their growth rates have skyrocketed on the backs of affiliates using Google Adwords to advertise, and in some instances have grown off of sites that now must alter their pages to abide by the new FTC guidelines.

Will these companies be able to adjust their business models and continue these impressive growth rates in the face of these new obstacles? Share your thoughts in the comments section of this post or start a conversation with your peers in the MarketingExperiments Optimization group.

Greg Burningham, President

March 17, 2010

Beyond Marketing Kaizen: How gaining line of sight into the testing-optimization cycle can drive triple-digit ROI improvements

A 302% increase in projected profit in a challenging economy is driven by simple changes to PPC ads, with zero net new marketing spend. A brand-battering string of safety recalls is announced by an auto company built on quality. What can we learn from these dream and nightmare scenarios?

Toyota's image problems have already been written about from every imaginable PR and branding angle. Instead, I'll focus on that thin line between what went right in example 1, what went wrong in example 2, and what it means to today's CMO.

Creating A Culture That Leverages The Testing-Optimization Cycle

The world's largest automaker is well-known for its practice of *kaizen*, a.k.a. continuous improvement, a.k.a. "the relentless pursuit of perfection." Any worker is empowered to stop the assembly line because he spots a flaw. Yet as Matthew DeBord writes in The New York Times, this system might have allowed Toyota's executives to become overconfident in the system itself and its front-line practitioners.

Conversely, you couldn't accuse the B2B marketer that drove that 302% increase of overconfidence because it tested some of its most profitable online marketing campaigns. Not only did it challenge what already worked, the marketer's culture of testing also forced it to constantly re-evaluate every assumption it made for the entire marketing campaign–from the PPC ads to the landing page to the checkout process and right up to recognized revenue.

And in the end, it made changes to some of its most profitable campaigns. It didn't stop at what one would call "marketing kaizen," or continuous small experiments that challenge the model; it brought in a traditional "command and control" function to oversee the entire testing process and ensure each piece worked together for a greater whole. The solution, you could say, is kaizen and control.

This begs the question: How are you guiding the testing-optimization cycle occurring right now in your marketing department? And how are you using these tests to improve your overall marketing spend?

If you can't answer these questions and are unsure of how to leverage the strategic advantage of the testing-optimization cycle's ability to generate fast, flexible, and accurate insights into how your brand is performing in real-world conditions, then read on. I'm going to give you three quick reasons to schedule a meeting with your key marketing managers today.

Strategic Advantage #1: More Return On Investment

ROI is a dirty word to some marketers who aren't able to come up with real, solid numbers. And in one sense, can you blame them? Who really knows how money spent on media that does not have measurable results moves the needle? Branding works because, well, because it just does.

And branding is just the tip of the iceberg. How well do you understand the real-time performance of your marketing campaigns?

The online testing-optimization cycle produces fast, scientifically validated results to continuously monitor how all marketing spends change interactions with your brand in the actual marketplace. Beyond that, it helps you track, measure, and improve every penny you spend for a fraction of the cost of your overall marketing budget.

The key word is *improve*. As the word "cycle" suggests, testing and optimization used in tandem drive real gains. For our B2B marketer referenced above, the huge ROI increase came in part because it did not involve one extra dime in media spending. The testing-optimization cycle helped them follow the Peter Drucker maxim of "…doing better what is already done."

Strategic Advantage #2: A Real-Time Competitive Advantage

As the economy emerges from a massive recession into a possible growth pattern, behavioral economists have been breathlessly discussing the emergence of a "new normal" in enterprise and consumer purchasing patterns. The implicit underlying threat to CMOs is, "What worked yesterday is now obsolete. Adapt or perish."

For the CMO who has already embedded strategic use of the testing-optimization cycle in her organization, this new challenge is nothing, well, new. She realizes that the marketplace is an ever-morphing beast that must be constantly tamed. And she relishes the advantage that real-world, real-time data gives her over "predictive" focus groups and surveys. (What consumer really contemplates the color of a logo that deeply?)

I don't use this CMO as an example of what I think you should do; rather, I'm suggesting this is what your competitors are already doing. Since our marketing research laboratory was established in 2001, testing and optimization have grown explosively. Your organization is likely doing this somewhere–whether or not it has risen to your level of attention.

The challenge is to gain the flexibility from this wealth of real-time information to strategically shape your marketing plan as it unfolds.

Let's go back to our B2B marketer that more than tripled profits using the testing-optimization cycle. A key point to remember is it didn't simply do some research on the front end and then launch this campaign. It dynamically tested and changed every element of the campaign while it was live and real customers were interacting with it. Continuous improvement comes from continuous testing and optimization, not one-time research that lets you "set it and forget it."

Strategic Advantage #3: Clear Justification For Your Existence

This last point is meant to hit you in the gut, and I'm sorry if the blow is a bit harsh. According to a SpencerStuart bluepaper entitled "*CMO tenure: Slowing the revolving door*" (PDF), "It's jarring to note that the average tenure for CMOs at the top 100 branded companies is just 22.9 months. Compare this to CEOs, who are in their positions, on average, for 53.8 months."

The executive search firm goes on to state, "Even when CMOs and the top management teams share the same expectations, CMOs who are unable to clearly articulate their goals and then post results in a public scorecard will make themselves a target for elimination."

The testing-optimization cycle is a great base for that public scorecard. You gain direct line of sight into how your campaigns are performing and have data to show how changes you make throughout the process generate ROI.

Not only do these metrics justify your decisions and provide credibility to your organization, they also boost your viability at budget time as well. The testing-optimization cycle helps you determine the greatest opportunity for your campaign, how to take advantage of it, and, when done right, arms you with persuasive summary profit analyses and ROI projections to show how marketing is truly an investment.

How To Gain Control

As long as every board of directors in the country expects never-ending growth, every CMO will have to deliver continuous marketing campaign improvements. By gaining control over the testing-optimization cycle, you take the keys and sit in the driver's seat of your marketing campaigns, steering and accelerating as your campaigns unfold in real time.

Beginning is easier than you might think. Someone, somewhere in your organization has likely already started putting the testing-optimization cycle to use. So start by conducting a survey of your organization to see exactly what's being done and how fragmented it is. Then call your key leaders together and focus on a strategy that uses this initial work as a launching point for a holistic approach to generating marketing campaigns driven by financial performance.

Then, most important, keep at it. This is a cycle. It allows you to continuously monitor and continuously improve all of your efforts. Each new success you achieve is not an end in itself, but a new base camp to climb from.

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Daniel Burstein, Editor

March 1, 2010

Transparent Marketing: A slice of honesty from Domino's Pizza

Let's say you make mass-produced pizza that tastes like cardboard. How would you sell it?

A) Hire Jessica Simpson as a spokesperson to tell everyone how good your pizza tastes

B) Have your founder drive across the country in a classic sports car to tell everyone how great your pizza tastes

C) Launch a nationwide campaign to tell everyone how *bad* your pizza tastes (and then make it better)

Domino's Pizza actually picked option C (and if they didn't, really, would it be worth blogging about?). In fact, the cardboard reference above is something Domino's itself is promoting…

This campaign is a great example of two principles we teach about in our training workshops…

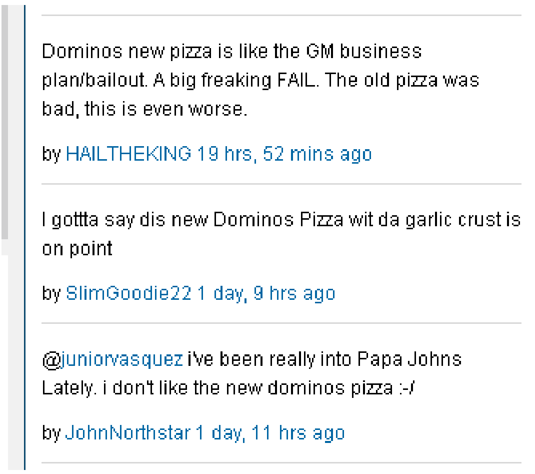
Transparent Marketing

So let's get back to why I'm writing about a pizza campaign. It overcame one of the first hurdles in a crowded, overwhelming, thousands-of-sales-messages-per-day marketplace – it stood out. It grabbed my attention. And I even remembered the marketer's name. How often can you say that about a pizza (or any other) marketing campaign?

As George Orwell has said, “In a time of universal deceit, telling the truth is a revolutionary act.” And, without being too harsh on my marketing peers, “universal deceit” is a pretty good summation of most marketing today. As Dr. Flint McGlaughlin has said, “When you say ‘sell,’ I hear ‘hype.’”

And that’s precisely why Transparent Marketing is so powerful. With the rise of social media, it is not hard for prospective customers to quickly learn the truth about your product. If you openly admit your weaknesses, you may be able to gain their trust. And, ultimately, every sale is an act of trust.

In Domino’s case, they are readily embracing social media – including every tweet, good or bad, right on their microsite:



Optimization Sequence

Of course, if your weaknesses are big enough, simply admitting them isn’t enough. You actually have to improve. Let’s take a quick look at the MarketingExperiments Optimization Sequence formula:

Opr > Oprn > Ocnn ©

Wherein:

Opr = Optimize Product Factor
Oprn = Optimize Presentation Factor
Ocnn = Optimize Channel Factor

As you can see in the formula, you must ensure you have an effective value proposition before you try to express it to prospects.

Of course, this can be the biggest challenge for marketers. First, admit your product has a problem. And then second, investing the resources and (in some cases) political capital to try to improve it.

In this case, social media can be your friend as well. Don’t just use services like Twitter as a one-way communication tool. Listen to what your customers are saying about you. Use this feedback, combined with other ways of communicating with (not to) your customers, to find ways to improve your product and build a case internally to invest in these improvements.

Grab the zeitgeist and don't look back

If you look closely at how Domino's Pizza applied these principles, they didn't do it in a vacuum. The name of their campaign is The Pizza Turnaround.

The word Turnaround has been splashed all over the news in the past few years. With the biggest financial and automotive companies in the world needing government assistance to stay solvent, and then looking to make changes to return to profitability, the public has gotten quite used to companies needing to improve the way they do business.

EMAIL OPTIMIZATION

Daniel Burstein,
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February 11, 2010

The Five Best Ways to Optimize Email Response: How to craft effective email messages that drive customers to action

Our research shows that even the most professionally designed email marketing suffers from conversion leaks by overlooking a few simple principles. In this issue of *MarketingExperiments Journal*, we'll take an in-depth look at how to apply these principles to help you craft effective email campaigns.

We'll explore the basic structure of your email and what each piece should convey to make it effective – from adjusting your subject line to tie into the sequence of thoughts of your audience to making sure that the overall message is in-sync with the way today's postmodern consumer operates.

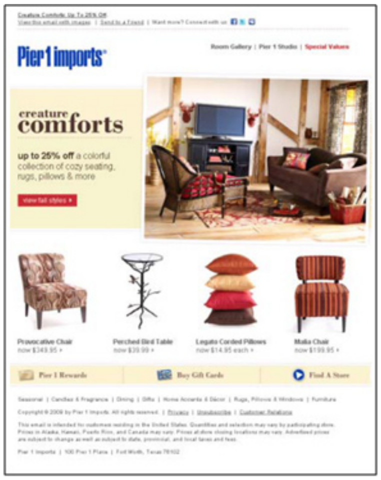
"[W]hat is common sense isn't common practice." – Stephen Covey

This issue of *MarketingExperiments Journal* builds on previous research we've published about email marketing. We found that even experienced marketing professionals sometimes overlook basic principles that can have a huge impact on conversion.

For example, the three email messages below were designed by professional agencies:

- 52%

- 19 %



- 34 %

Yet, as the numbers below each email indicate, they all generated lower click-through rates than the control email.

These results bring a slew of questions to mind. Where are you losing most of your money? Where is your greatest potential? Is it in a template design? Is it in your frequency? Is it in your subject lines?

If you are an agency hired to improve a client's email campaigns, how can you get more response from the same email list? More specifically, how can you drive real bottom-line results (not just create better-looking email templates?)

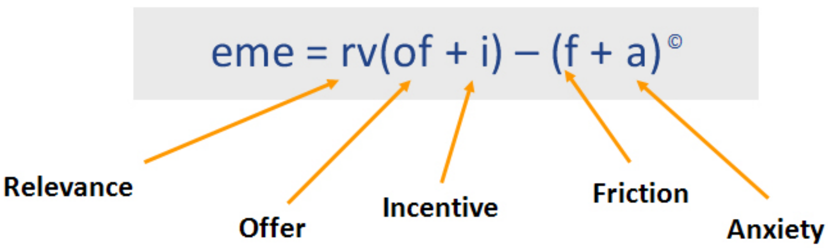
And, as a marketer, what principles should you keep in mind as you evaluate past, current, and proposed email campaigns?

Essentially – where is your greatest opportunity and how can you capitalize on it?

We will answer these questions with five principles that are distinct, yet build on each other to form a foundation for effective email marketing.

I. "BEST PRACTICES" ARE NOT ENOUGH – IT IS ESSENTIAL TO WORK WITHIN A RIGOROUS METHODOLOGY.

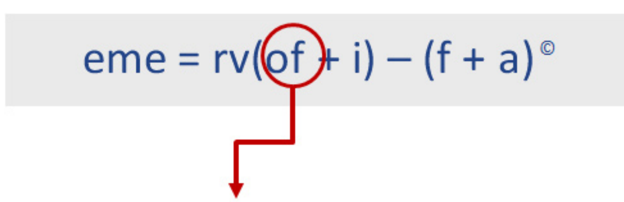
The Email Messaging Optimization Sequence is a heuristic used to evaluate the effectiveness of an email campaign and determine where the greatest optimization opportunity can be found.



A scientific approach to email marketing optimization is more than just an efficient way to tune what you are already doing, it helps you find the greatest (existing or entirely new) opportunity. It also gives you a clear view of current and potential areas to optimize and a consistent method for each approach you test. As Peter Drucker has said, "There is nothing so useless as doing efficiently that which should not be done at all."

II. CLEAR MESSAGES ARE MORE EFFECTIVE THAN PERSUASIVE TACTICS – CLARITY TRUMPS PERSUASION.

For the rest of today's issue, we'll focus on offer optimization. To learn more about the entire Email Messaging Optimization Sequence, feel free to explore the Email Marketing training course.



Every email has an average of seven seconds to prove its worth and convey its offer – so get to the point. Your email must have a single aim in mind. Do not clutter your message with 16 different links. The more options a customer has, the more likely they'll get lost.

To reduce the options and give your email a clear purpose it may help to look at each of your email messages through the lenses of external and internal clarity:

External clarity:

First, put yourself in the shoes of your customer. What are you asking the recipient to do? And why should they do it?

Your prospective customers are not looking for a reason to read your email; they are looking for a reason to delete your email. That is why it is so important to take the time to make sure you are answering the two questions above. You likely eat, sleep, and breathe your product and know every detail inside and out. So an email may seem obvious to you. But, for someone breezing through an email inbox, is your message really crystal clear?

Internal clarity:

You also must be clear that your team or client has a full understanding of the desired result of every email send. What is your objective? What is the best way to achieve it? And what really is the offer? Is it to sell a product or to get a click?

The only thing you should try to sell in your email is a single, split second action – "click." From there, your landing page can do the actual selling of your offer. While this simple thought sequence is often overlooked, it is key to engaging and then driving your customer to final conversion.

III. CLARITY IN AN EMAIL MESSAGE IS FOSTERED BY PROPER THOUGHT SEQUENCE.

When we strip away the bits and bytes involved in an email send, we soon discover that a successful marketing email is really just part of a conversation that connects a recipient's previous engagements to future ones.

Therefore, a well-crafted email requires a sequence of thought. Let's break down a few examples to see how you can play out that thought sequence in your email messages.

Not this

From: Sales
Sent: Tuesday, February 19, 2009 2:16 PM
To: bob@example.com
Subject: Save on Memory

But this

From: Brian Johnson – Technical Support Manager
Sent: Tuesday, February 19, 2009 2:16 PM
To: bob@example.com
Subject: Speed Up Your Dell Latitude D620 – Free Memory Tool

Every part of your email messages helps shape how your audience perceives this conversation. For example, one avenue of communication often overlooked is the *"From:"* field. Which email are you more likely to open? An email from Sales? Or an email from a Technical Support Manager who has sent you a personal message using his name?

In your entire life, you have likely never had a conversation with a Sales Department. A Sales Department did not come in on Monday morning and share the amazing hike he took with his son over the weekend. A Sales Department was not upset when his dog of 16 years died. And a Sales Department has never helped you make your computer run faster.

But Brian probably has. And when you talked to Brian about that computer or that hike, he likely didn't speak in vaguely generic terms *("Walked on Trail," "Save on Memory")*. He told you his story in a way that it related to you. *("I know how you loved hiking on Big Talbot Island. Well, this weekend we went there and spotted a school of bottlenose dolphins just yards from the trail," "You can speed up your Dell Latitude D620 with this free memory tool.")*

Not this

Dear Customer:

Your computer may need new memory and XXXXXXXXXX.com has over 19,548 memory modules available at discount prices.

Take a look at our new memory deals…..

But this

Your computer: Dell Latitude D620

Your memory type: 512MB DDR2-533 (PC2-4200) SO-DIMM

Dear Bob:

You purchased 512MB of memory for your Dell Latitude D620. We appreciate your trust…

As we get into the body of this email, let's think more about our conversation with Brian. In this case, we'll make Brian the owner of a computer store at the corner of your street.

When you walk in the door of that store after having bought computer products from Brian in the past, will he greet you with a hearty "Hey customer. We have 19,548 memory modules in our store. Please buy one."? Or will he say "Hey Bob. Remember when you bought 512MB of memory for your Dell Latitude D620? Well, it's been a while, and your computer probably needs an upgrade. I've just received a fresh supply of the exact type of memory that your computer takes. It will really speed up your computer."

Now, of course, you likely do not run a local shop from a Norman Rockwell painting and are probably not on a personal, first-name basis with all of your customers. But that does not mean you should not try to approximate a real conversation. Technology may have changed the means by which we communicate, but it hasn't changed the *way* in which we process communication.

If you have invested in shiny Customer Relationship Management (CRM) tools, your email messages are an excellent chance to put all that data to good use. And even if you haven't, there are many other ways to collect information and categorize customers to have a personalized, not aggregate, conversation with them. Don't just try to speak to your average customer. After all, who is average? Speak to your individual customer.

The second email gives a perfect example of just how to do this. The nested subject line replaces the headline that is usually above the body of a marketing e-mail. The nested subject line is intended to instantly instill recognition that we already have an established relationship – that this is not a "cold-call" SPAM message – which in turn holds their attention long enough to engage the prospect in an earnest evaluation of the message.

IV. PROPER THOUGHT SEQUENCES ARE SYNCHRONIZED TO THE DECISION PATTERNS OF THE RECIPIENT.

As with any conversation, that thought sequence does not happen in a vacuum. It is a two-way street. You must keep in mind the way potential customers interact with your communications and your product.

The proper sequence of an email:

CAPTURE
Subject line/headline
Salutation
Opening sentence

CONVINCE
First paragraph
Subsequent paragraphs

CLOSE
Call-to-action
Signature
Postscript

Re: The Research Results You Requested

Dear MarketingExperiments Subscriber,

As the President of MarketingExperiments, I felt it was important to personally inform you regarding one of the most significant breakthroughs in the history of our paid search experimentation.

In this study, we were able to reduce cost by 35% and yet increase conversion by 300%. You can find out more by clicking here.

Perhaps this breakthrough will help you improve your paid search ROI.

Greg Burningham
President
MarketingExperiments

P.S. This link will only be active for 24 hours; we are trying to get this information to our subscribers before it reaches the media.

"The Truth must dazzle gradually" – Emily Dickinson

So much for the canoe!

Taken alone, that line is meaningless. At the end of a properly told joke, with steady pacing and solid setup, that line is hilarious.

Your email message works in much the same way. While your ultimate goal is a click, you must first tell your customers why they should trust you and click on your link which takes them away from their email to your site. To do that, you must keep in mind every element that is at your disposal.

The subject line gets the open. Then the headline must get me to read down to the subhead. The subhead into the first paragraph. The first paragraph to the second paragraph. Keep going. Keep the pace up. Let's keep talking. Finally, bring me down into the close. Tell me what you want to do. And reinforce why I should do it.

Each email will have its own unique combination of these elements. As our above example shows, not every element is necessary. But the fundamental principle you must keep in mind is that these elements work in conjunction to create a linear conversation that drives your prospect to the desired action.

Just how fundamental is this principle? You can see this same pattern stretch back throughout the history of communication. For example, the basic three-act dramatic structure of films and plays dates back to Aristotle's *Poetics*, the earliest-surviving work of dramatic theory.

V. SYNCHRONIZATION TO DECISIONS PATTERNS OF THE RECIPIENT REQUIRES COMMONALITY OF LANGUAGE.

Once you align the structure of your email messages with how your audience communicates, the actual execution of the email involves writing in a language that matches the way in which your audience actually talks.

Building Rapport

You will often see a good example of this desire to match language with audience in a typical political campaign. One day, the candidate may be meeting with an association of investment bankers, wearing the finest bespoke suit, and speaking in an eloquent, sedate manner about the affects of taxation on the carry trade.

Yet the very next day, this same candidate is an every(wo)man downing a brew at the local pub in a flannel shirt and speaking rather loudly in the regional twang about a recent game where the local team "just got robbed" by the referees.

Notice, even the way in which we describe these two situations is different. The words we choose. The tone we approach the matter with. Your challenge is to speak to your audience the way they desire to be spoken to without drawing attention to the fact that you are doing it. Unlike the politician referenced above, you must not appear to be an outsider currying favor, but rather the genuine article.

This can be a huge challenge. A strange thing happens when we take off our "person" hat and put on our "marketing" hat. Even marketers who live and breathe the lifestyle they are trying to sell often come off as inauthentic.

Remember, you should just communicate naturally as a person, not as a corporation that is marketing a product. You don't have to change your natural way of communicating if you yourself are a member of the audience you are trying to reach. This authenticity is vitally important with this channel, since most people simply do not trust email marketing.

Why do we not trust email?

The very nature of email is our first challenge to building trust. Unlike a landing page that a prospective customer has actively sought out (from organic search, PPC, a newspaper ad, etc), email is outbound ("push") marketing. This intrusiveness creates a natural response of skepticism and distrust similar to that of a telemarketing call.

And, of course, beyond that intrinsic nature, email is heavily used by legitimate marketers and often abused by unscrupulous marketers. Most people are inundated with marketing messages all day long. Therefore, the average consumer reads email with a disposition to delete.

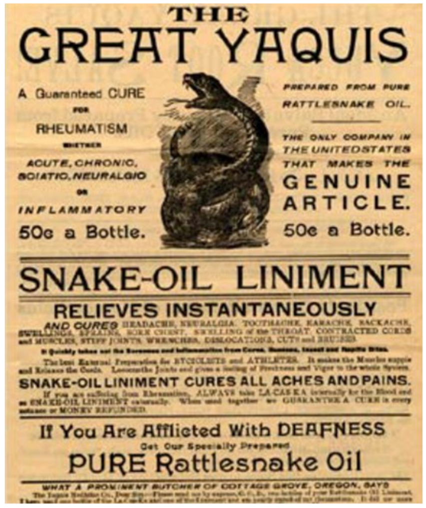
In fact, in the few moments it took to write the above sentences, one member of our writing team received an email offering "Viagra for a 75% cheaper price." Because of messages like this, we're all used to being rather click happy with the "delete" and "mark as SPAM" buttons.

Of course, that email entered our inbox in just a few moments. We wondered how much total email we actually receive in a given day. So we tasked one member of the MarketingExperiments team with actually keeping track of each and every email she received over a 24-hour period. Even she was surprised at the final numbers:

In a 24 hour Survey, 283 Total received

- 128 work-related
- 67 marketing
- 65 spam
- 23 personal

There's not much you can do about the first two reasons most customers do not trust email. So you must put all of your energy in rectifying reason number three – email messages are full of so much marketing hype and qualitative bragging that no one believes us anymore. Essentially, many email messages are modern-day descendants of this classic:



Crafting conducive language:

You might laugh off the above ad as simply a swipe at spammers. Yet, while most professional marketers aren't as obvious as spammers, they can be oblivious to the faults in their own messages. It's all too easy to be one person at work (a marketer) and an entirely different person once we get home (someone who finds marketing laughably bad).

To help you take an introspective, honest look at your own efforts, we've crafted a series of statements that your customers might be thinking and the way you can respond:

The Prospect's Protest (A Problem)

1. I am not a target; I am a person: Don't market to me, communicate with me.
2. Don't wear out my name, and don't call me "friend" until we know each other.
3. When you say "sell," I hear "hype." Clarity trumps persuasion. Don't sell; say.
4. I don't buy from companies; I buy from people. And here's a clue: I dislike companies for the same reason I dislike people.
5. Stop bragging. It's disgusting.
6. And why is your marketing "voice" different from your real "voice"?
7. The people I trust don't patronize me.
8. In all cases, where the quality of the information is debatable, I will always resort to the quality of the source. My trust is not for sale. You need to earn it.
9. Dazzle me gradually: Tell me what you can't do, and I might believe you when you tell me what you can do.
10. In case you still don't "get it," I don't trust you. Your copy is arrogant, your motives seem selfish, and your claims sound inflated. If you want to change how I buy, first change how you market.

The MarketingExperiments Creed (A Response)

ARTICLE ONE: We believe that people buy from people, that people don't buy from companies, from stores, or from websites; people buy from people. Marketing is not about programs; it is about relationships.

ARTICLE TWO: We believe that brand is just reputation; marketing is just conversation, and buying is an act of trust. Trust is earned with two elements: 1) integrity and 2) effectiveness. Both demand that you put the interest of the customer first.

ARTICLE THREE: We believe that testing trumps speculation and that clarity trumps persuasion. Marketers need to base their decisions on honest data, and customers need to base their decisions on honest claims.

(Editor's note: MarketingExperiments has published an article called "Transparent Marketing: How to earn the trust of a skeptical consumer" that specifically deals with the commonality of language.)

BOTTOM LINE

Email marketing is really just a conversation. And like any good conversation, a few elements are key – clarity, proper timing, a common language, and a focus on how the person you're talking to hears what you're saying. Combine these elements with a methodology that allows you to optimize each part in a real-world, feedback-intensive setting, and you've mastered the basics of email marketing.

As you communicate with your customers, don't talk to them like a typical salesperson. Don't put on your marketing hat and sell with every word. Just be you. A true conversation happens when two (or more) people have an authentic dialogue. You encourage communication with potential customers, as with anyone else in life, when you use thoughtful yet simple (and appropriate) language. You don't need a marketing voice, you need a genuine voice.

Beyond understanding your customers' motivations, understand your own. What are you really trying to do with each email send? Don't expect your email to do all the heavy lifting and get a sale. That would be like casting a fishing pole in the water hoping to pull out a three-course meal of stuffed salmon. All you need is a little nibble, a click. And a good landing page can do the rest.

Sean Donahue, Editor, MarketingSherpa

March 8, 2010

Email Marketing: Taking the mystery out of customer motivation

It's a little over-simplified, but an email marketer's job is to get the right message to the right person at the right time to achieve a specific goal. Doing that means understanding what motivates subscribers to open a message and engage with your offer – and that's where the process gets tricky.

Like our colleagues at MarketingExperiments, we at MarketingSherpa believe that nothing provides the better insights into the "right" approach than a good test. A marketer's personal bias, best guess, gut instinct or assumptions aren't enough. In fact, they're often wrong. You have to be willing to let your audience SHOW you what motivates them.

Today in Munich, MarketingSherpa is hosting its second Germany Email Marketing Summit, which features a Case Study that demonstrates the power of testing to determine customer motivation. VNR.de, a publisher of lifestyle and professional advice from experts in their fields, is sharing the results of a list-cleansing/subscriber reactivation campaign they recently conducted.

Winning back "inactive" subscribers

The campaign targeted "inactive" members of their list, which they defined as subscribers that had not opened or clicked an email in 120 days. They wanted to either reactivate those subscribers, or else determine that they were truly inactive and remove them from the list. So they set up a four-message reactivation campaign to encourage a response.

Each message took a different approach to the reactivation effort:

- The first was a survey about email preferences
- The second was a request for subscribers to update their personal information
- The third was a contest to win a book
- The fourth repeated the request to update personal information

What is more appealing than FREE?

Going into the campaign, the team believed the contest offer would have the best response. After all, people like getting free stuff, right?

Maybe not: The contest offer had the weakest open rate and clickthrough rates of the four messages. Its open rate was 60% lower than the best-performing email – the survey about email preferences. And the contest offer's CTR was 82% lower than the best-performing email.

The good news is that the reactivation campaign was a success overall. They reactivated 9% of the inactive subscribers they targeted – and they won a MarketingSherpa Email Marketing Award for it.

They also learned important lessons about what motivates their subscribers. Their conclusion: "People seem to be most interested when we are interested in them."

Final lesson: Assumptions are no match for results data. So get testing!

Sean Donahue is the editor of MarketingSherpa, a research firm publishing Case Studies, benchmark data, and how-to information read by hundreds of thousands of advertising, marketing, and PR professionals every week.

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Boris Grinkot, Senior Manager, Research and Strategy

March 5, 2010

B2B Email: Addressing an unsegmented list of SMBs

I'll admit that I am a Twitter novice. Compared to social media gurus, some of whom have tremendous experience with the platform (up to two years!), I am still very much in the learning-by-doing phase. Then again, aren't we all?*

As I try to be informative and give back to the Twittersphere, one of my email-related tweets was picked up by a Florida marketing agency that services several metros nationwide. With our Email Optimization clinic series underway, I was more than happy to provide an analysis of a broad-spectrum campaign that they had planned. Luann, their president, was as excited as I was about making a Twitter connection.

With Luann's permission, I wanted to share my thoughts and recommendations with our readers. Here is an edited copy of the email response that I sent to her:

Hi Luann,

Here are a few thoughts based on the email message creative I got from Noele, along with the requisite assumptions I've made. I hope they will be helpful.

There are two important caveats:

I don't believe in best practices. Everything I recommend is normally tested until I find out what really works for the particular product and customer segment.

I want to be as helpful as possible, so I am not pulling any punches; the comments below are not a reflection on your company's competence or reputation—just how they are communicated via this email message.

The fundamentals: Optimizing thought sequences

In optimization, our objective is not to create better design or copy. Our objective is to affect different thought sequences, and design and copy are our tools. A useful way to examine the thought sequences we need to address is through three simple questions that arise in the mind of the email recipient immediately, whether consciously or unconsciously:

Who is sending me this email?

What is it asking me to do?

Why should I do it?

Our job is to answer these questions as directly and quickly as possible using copy, graphical elements, and layout of the email.

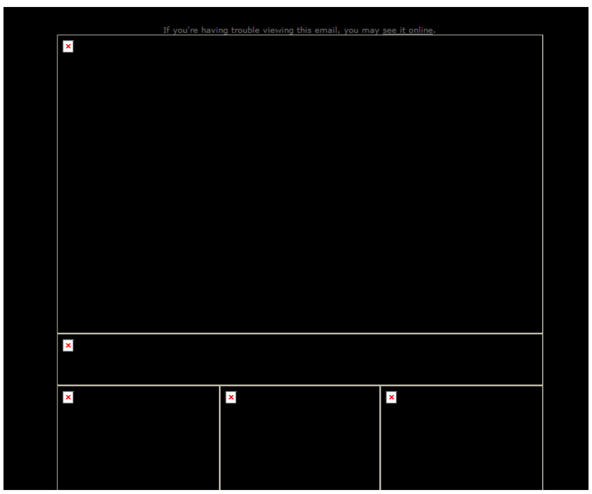
Without specific information about your list, I am going to assume (based on email content) that it contains a large segment that has never done business with your company and perhaps has never heard of it.

Communicating Efficiently: Make it an easy read

The body of the email appears **singularly focused on its graphic design** and a clever visual way to represent what you do. I suspect that your target customers would prefer a plain-English explanation instead.

They would also likely appreciate it being summarized into a **strong, benefits-focused headline**, supported with several key reasons why they should use your company's services, rather than your competitors'.

How it appeared in my Outlook preview pane.



I am making an assumption about your target customer segment(s), but from my experience—especially with B2B—**black text on a white background** works best most of the time. There's rarely a better way to communicate with busy professionals.

Relying primarily on text, rather than images, will likely work better for you because in default Outlook setup with a preview pane, most people will see blank white boxes instead of your message—and promptly delete it. Alt text helps, but not as much as well-formatted HTML text. You need to **make sure that your email degrades gracefully**: it needs to read acceptably with images turned off and in plain text.

Communicating Value: Make it clear why *you* are the best choice

Again, there is **no real headline** here. The question "Is your business missing something?" is so generic that I can't imagine it being compelling at all. You can have a successful question-format headline, but it needs to point to a specific problem that you *know* your customer has.

A great way further to **support your value proposition** is by telling the reader what your customers say about you. It's more powerful than anything you say yourself.

There is another challenge with communicating value: you are offering a range of very different services. Sent to a large enough list, this will get you calls, but I would invest some time into 1) trying to segment your list and offer only the most relevant services to each segment, and 2) if you can't segment or still end up with a large "general" segment, ***help* your reader understand** which service is right for them.

Communicating Action: Make it clear what to do next

You don't want to leave this up to the recipients to figure out. That's what we call "unsupervised thinking." You need to do most of the work for them—or you won't get the click.

There is **no clear next step**. Here's what I can picture a recipient thinking: "It *looks* like you just want me to sign up for the newsletter. It's the biggest CTA (call to action). But I don't know who you are. I really don't care about getting latest news postings on your website. If we already have a relationship, why am I getting this generic email?"

In the end, you are not giving the reader a **specific reason to contact you**. This goes back to building the problem, explaining why you are the best solution, and telling the reader what they'll get by clicking where you want them to click.

If this is an email to an unsegmented list, I suggest two options to test:

Have only one CTA (you can repeat it at the top and at the bottom, but ultimately you should be asking them to do one thing). The job of this email will be to build enough confidence/interest in your company to get a click. Then you can provide options (if relevant) on the landing page.

Have several distinct offers, making very clear which one applies to which customer segment or specific problem it's solving (even if you can't segment the list, you should know what the key segments are). Then the job of this email is to help the reader quickly decide which offer is most relevant, and click on the corresponding CTA.

I hope these insights will be helpful, and I look forward to hearing about the results you were able to achieve with them.

Sincerely,

Boris Grinkot

To see more email optimization ideas, you can listen to the replay of our last live web clinic, where the MarketingExperiments team offered testing ideas for audience-submitted email marketing messages.

* I'm not counting 2007—come on!

Corey Trent, Research Analyst

March 3, 2010

Conversion Window: How to find the right time to ask your customer to act

Many marketers I talk to are quite interested in optimizing the content of their email messages. They test images, calls to action, subject lines, and the tone of the email. However, how many companies test the timing of email sends and how this affects readership?

Proper timing = greater relevance

To illustrate how timing might affect open and click-through rates, think about how you read email. In the afternoon when the day is dragging on and you need a break, do you give each email message a little more time than when you first get into the office in the morning and are confronted with 20 hot items bursting from your inbox?

So would an email with a more complex conversion goal (such as signing up for a recurring subscription) do better with you in the afternoon while a simple conversion goal (like signing up for a free web clinic) might have a better chance in the morning when you're plugging and chugging and not putting as much thought (and perhaps doubt) into your actions?

While you were sleeping

If you subscribe to our informative email, you know that we send it in the middle of the night. By testing, we learned that email messages sent before 9 a.m. EST dramatically lifted click-through rates for our list. Here are the key takeaways from our testing:

Late-nighters in the management level and 'indiepreneur' crowds on the West Coast are opening work email up until the midnight hour. East Coast execs are responsive in the 'early bird' hours.

Subscribers based in Asia and Europe respond to email messages that don't get buried in their inbox during non-work hours.

Time zone segmentation is worth a test for any marketer with a substantial international list – especially B-to-Bers.

What works for your audience?

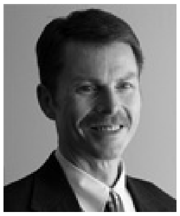
Keep in mind, that for every demographic and persona that is part of your readership, **their habits and optimal send time might be different**. Test sending out at different times to see what affect that has on not only readership, but conversion – because even in these "tight time zones," people might just glance at the email, (giving you the open metrics) but save the action for later. However, we all know sometimes "later" never comes.

Speaking of testing, it is not just good enough to just try different send times for entire lists. Aggregate testing like this can get you subpar results and hide the real conversions nuggets. Narrowing the scope to particular segments in your list (which you should always be doing…) will help you see how certain segments respond to timing and allow you to make stronger conclusions.

Sometimes the conversion gems that are waiting to be discovered are not only in the message itself, but how and (in this case) ***when* it is being delivered**. It is like when you asked your Mom to borrow the car – you knew not to bother her when she was busy if you wanted a good response.

Good luck in testing.

Photo attribution: http://www.flickr.com/photos/fdecomite/ / CC BY 2.0



Bob Kemper, Director of Sciences

February 26, 2010

Email Subject Lines: Do symbols hurt email marketing response?

Editor's Note: The MarketingExperiments community is an interactive group with a great deal of questions and answers between marketers and their peers as well as with the MarketingExperiments staff. Occasionally we publish these interactions on the blog when we think there is a particularly good question that our readers can benefit from…

QUESTION:

I recently watched *The Five Best Ways to Optimise Email Response* seminar by Dr Flint McGlaughlin. I found it extremely enlightening and it provided **a lot of food for thought**. However, I have a quick question with regards to slide no. 22.

I appreciate your time and I'm sure you receive plenty of mailings of this nature; therefore I will get straight to the point.

In this slide, the recommendation is to change the subject line of the mailing from "Thank You For Making Us Your Florist Of Choice" to "15% Off – Our Way Of Saying Thank You!"

I understand why the wording would be changed to make it more endearing to the receiver but I wondered if the symbols added would increase the risk of the mailing being filtered and **more inclined to be highlighted as spam** – therefore reducing the success of the mailing.

In my experience I steer clear of any symbols in the subject line when sending large mail shots, especially %, ! and £. **Am I being too cautious?**

Kind regards,

Chris, BA(hons) Business & Marketing
Marketing
London

ANSWER:

Hi, Chris. Thanks for your question.

If I might broaden the question slightly to interpret its essence as a **transferrable principl**e, could I restate it as…

How much validity is there to the conventional wisdom that, in the Subject Line of an offer email message, numbers, certain symbols (especially £/€/$, %, and !) and "SPAM words" such as "Free" and "discount" will cause a **dramatic reduction in deliverability**, and consequently effectiveness?

… if so, then it's surely an important one.

In the case of the particular company and study referred to on Slide 22 – that was precisely one of the questions we set out to answer.

What you couldn't see in the context of Dr. McGlaughlin's presentation at the MarketingSherpa Email Summit in Miami is that this particular two-treatment comparative vignette was just a **tiny part of a much larger and broader study**. We intended to test the specific, widely accepted presumption you mentioned.

We were also exploring **a host of other best practices** to see how valid they remained through the evolution of regulations as well technical filter changes by email service providers (ESPs) since the time they were first introduced and anecdotally adopted (around 2003-2005).

This was important because we know from our foundational Offer/Response-Optimization principles of "clarity trumps persuasion" and "specificity converts," that the clearer and more specific subject line – i.e., the one with the "15% Off…" copy – should convert better.

What we found was that there *was*, in fact, **a small but significant difference in deliverability** – interestingly, it was more pronounced among the smaller ESPs. In addition, as we had predicted based on the "eme" heuristic, the Open Rate actually declined (…by more than 25%).

In the end, though, the central research question was "Which email subject line will result in the greatest projected net revenue?" As revealed in Dr. McGlaughlin's presentation, despite the slight dip in Delivery Rate, and the (what would otherwise have been alarming) drop in Open Rate, the **Click-through Rate (CTR) to the landing page was 60.3% higher**.

What he may not have mentioned is that, in direct answer to the research question, the Treatment subject line yielded a **56% increase in projected net revenue** vs. the Control.

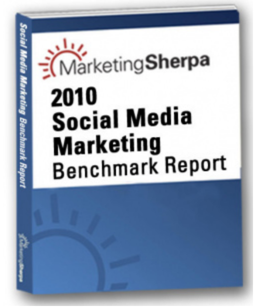
So, while it appears there is still at least some validity to the commonly held belief that special characters in the email Subject Line reduces deliverability, our research (this experiment plus two others conducted with different products and industries) suggests that *when they serve to do so*, these negative factors are **dwarfed by the power of clarity**.

I hope that's helpful, Chris.

All the best,

Bob Kemper
Director of Sciences
MECLABS Group, LLC

SOCIAL MEDIA MARKETING



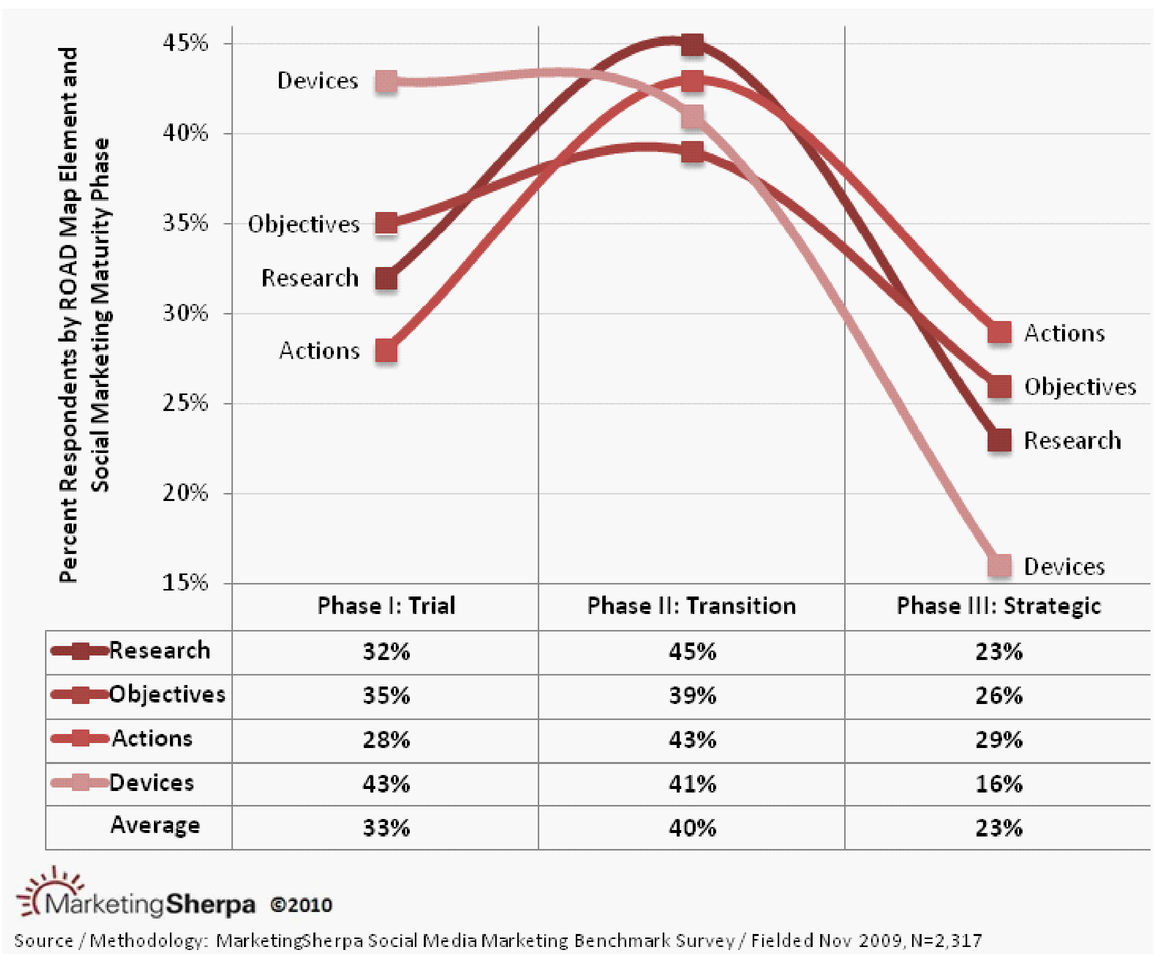
Sergio Balegno, MarketingSherpa

Chapter 3: Social Marketing Maturity and the Social Marketing ROAD Map

EDITOR'S NOTE: To help our readers understand the data behind MarketingSherpa's Social Marketing ROAD Map, they have allowed us to publish Chapter 3 of the MarketingSherpa 2010 Social Media Marketing Benchmark Report.

Social Marketing Maturity is a Process

3.01 Organizations in Each Stage of the Social Marketing Maturity Lifecycle



	Phase I: Trial	Phase II: Transition	Phase III: Strategic
Research	32%	45%	23%
Objectives	35%	39%	26%
Actions	28%	43%	29%
Devices	43%	41%	16%
Average	33%	40%	23%

Which phase of social marketing maturity is your organization in today? Where do you want to be? How will you get there from here? These are important questions because the more mature an organization's social marketing, the more effective it becomes.

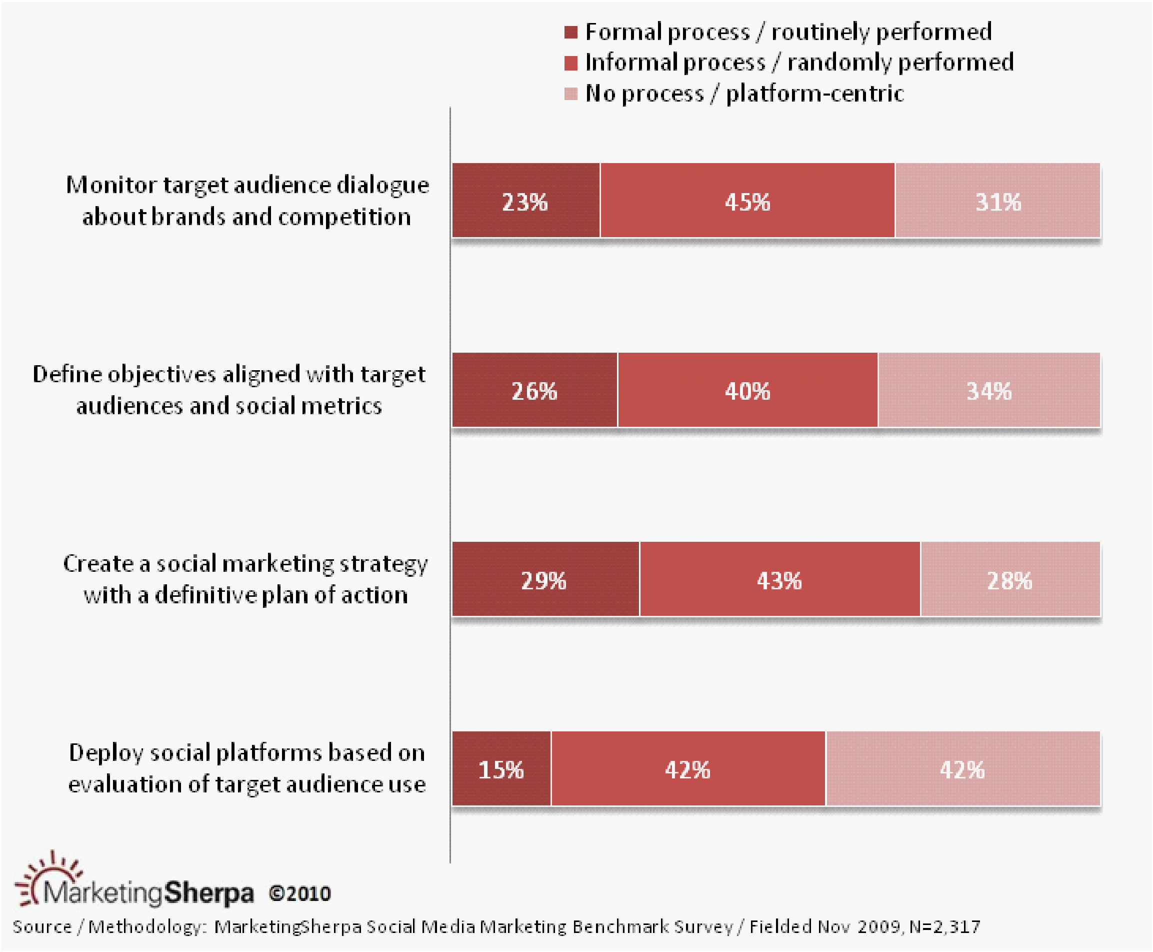
This chart shows that, when averaging all elements, 33% are in the Trial Phase and 40% are in the Transition Phase. The good news – 23% have advanced to the Strategic Phase.

Marketers reported that maturity can differ markedly by ROAD Map element. For organizations in the Trial Phase, we see most organizations focused on Devices (social media platforms). We see the focus shifting to Research in the Transition Phase and to Actions in the Strategic Phase. The key take-away here is that emphasis on Devices drops from the top line to the bottom as an organization's social marketing maturity evolves.

Performing the Process

3.02 How Organizations Perform Social Marketing Practices

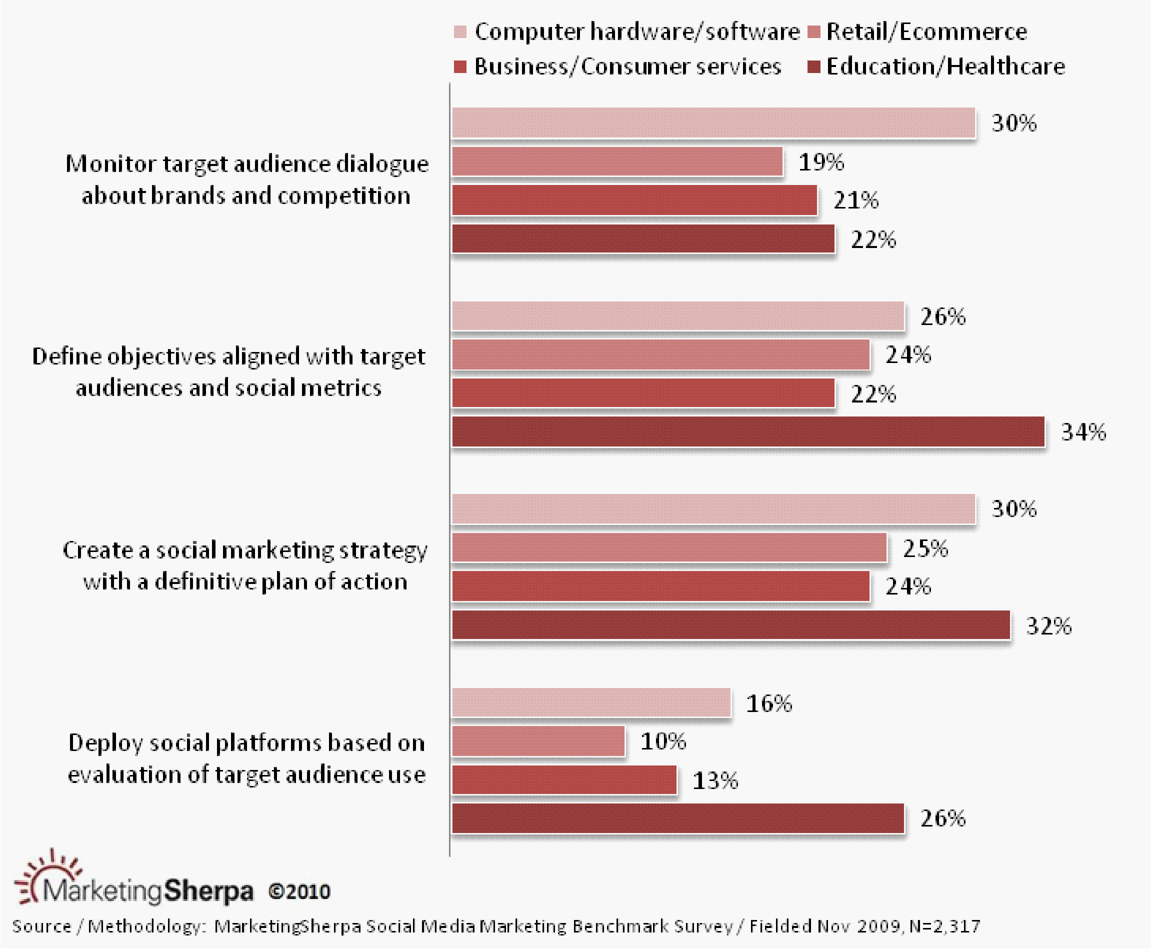
Q. Which best describes the process your organization uses to perform each of the social marketing practices listed below?



Optimizing the outcome of any business initiative requires a clearly defined and repeatable process that is consistently practiced. As a relatively new tactic, the task of formulating social marketing processes and best practices are on the radar for many organizations but have yet to be developed.

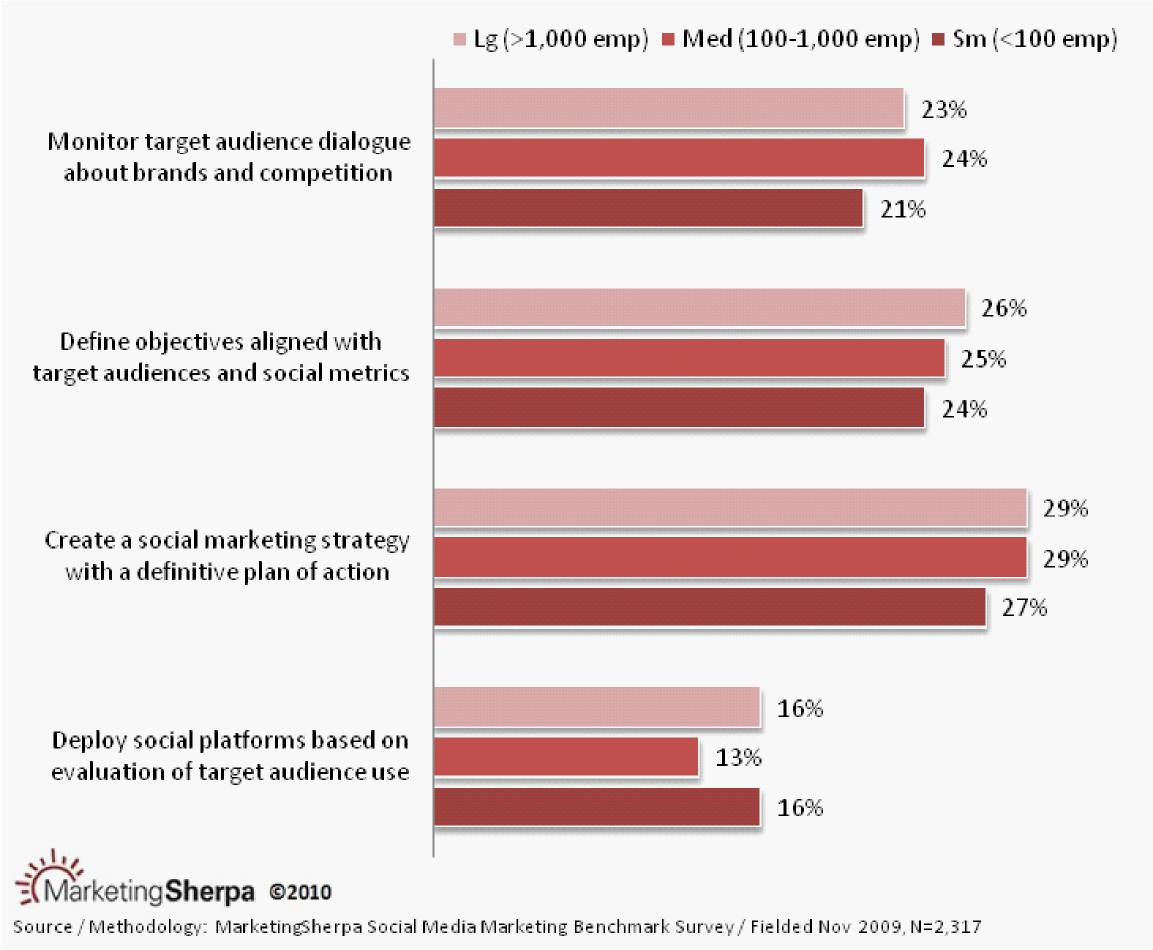
This chart shows a different view of the data on the previous page in aggregate for all organizations responding to the survey.

3.03 Practices Routinely Performed Using a Formal Process, by Industry Sector

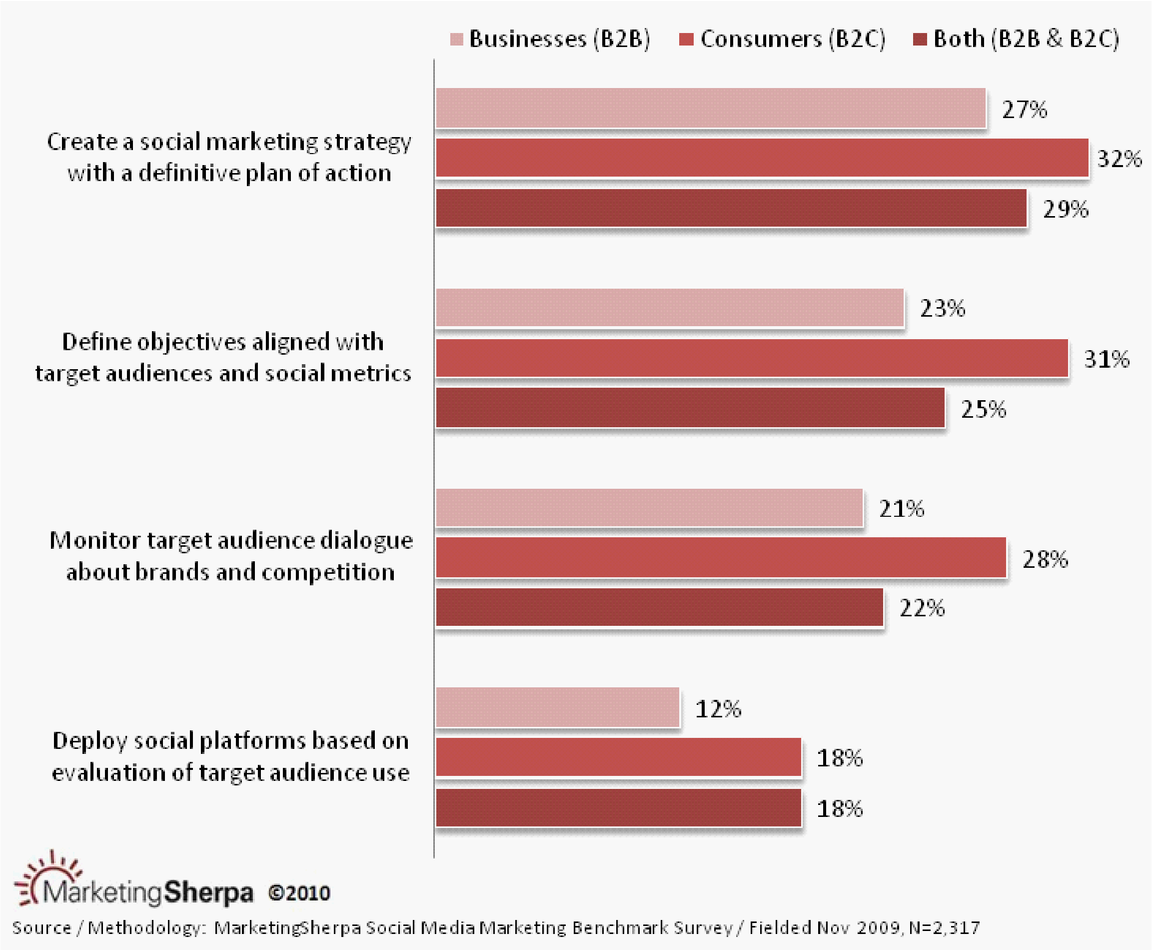


While marketers in the computer hardware and software industry are more likely to monitor what their target audience is saying about their brand and competition on social media, marketers in the education and healthcare sector are much more likely to have a formal process they routinely perform for other social marketing best practices.

3.04 Practices Routinely Performed Using a Formal Process, by Organization Size



3.05 Practices Routinely Performed Using a Formal Process, by Primary Market



Organizations that market directly to consumers through B2C channels clearly lead their B2B counterparts in the formulation and consistent implementation of social marketing practices.

Marketer Insights: Social Marketing Planning Process

3.06 B2B Marketers Share Insights on Planning a Social Marketing Strategy

Q. What process, if any, does your organization use to plan its social marketing strategy?

- I would say 'dabbling' describes our effort to date. We are evaluating social media and formulating our best use of the space. We have enthusiastic pockets of users, but no cohesive strategy or process at the current time.
- In order to plan social media marketing strategy, a brief and informal analysis of target market is outlined, along with previous effective target strategies. Basically, trial and error works best in the B2B technology environment when social media has not yet peaked.
- Our social media approach has matured from testing and experimentation to a more integrated program with clearly defined objectives.

- Social media still seems to be a fly-by-night operation. While there is some interest in it companywide, it still lacks the serious strategy needed. If there were a better way in showing some attainable goals, this lack of planning might be easier to change.
- Social media is a TOOL, not a strategy. We use social media as one component of our overall inbound marketing strategy. Social media works in combination with content (blog, video, other), email, sales, and SEO. You cannot think of it as its own.
- As we've just begun including social media in our marketing strategy, our initial approach has been to simply get our feet wet via research and an initial entry into social media. In the next year we will be developing social media guidelines for staff and some Web-based training.
- We establish a target list of contacts that we want to engage with. These are key partners, clients and target accounts. People and organizations that we want them to have us on their radar screen. We then use social networks, blogs to find and share sourced content and to share our original content. We track our followers and hone our list. This is a very manually intensive exercise.
- Our social media program is in its infancy; we set our initial strategy based on best practices and analyst advice, and we are evaluating the results quarter-by-quarter, adjusting as we go. Initially our goal is to gain momentum and become known in our space, gather followers/fans/members, etc. When we feel we have attained 'critical mass' we will move to the next phase of the roll-out, which is to become thought-leaders to our target audience.
- We have a social media manager (me) who creates policies, strategies and training tools, then works with marketing and communications teams to help them develop their strategies and plans. Other people have defined that as the
- Our company continues to realign our social media goals based on lessons learned. For example, the original goal was to answer 80% of all comments made about our company. As it turns out, a lot of chatter was irrelevant and ineffective to respond to. So we realigned our goals to answer 100% of relevant, actionable comments.
- Corporate marketing sets the strategy and guidelines for business units to follow. Business units can develop their own programs but there can be friction with corporate.
- We're actually just getting started with social media marketing... we understand the importance of it and are working on gaining a better understanding of social media so that we can then build an appropriate strategy for our company.
- Right now, it's post/link/comment as much as you can. Ideally, we'd like to formalize a plan that is both dynamic and measurable. It would be good to create a graph of some sort to map out all our strategies and how they integrate into our lead generation and brand building goals.
- We have a committee of people from industry marketing, product marketing, product management and corporate communications that meets quarterly to review metrics from the previous quarter and set objectives for the coming quarter. They also discuss potential topics and authors, both internal and external.
- It varies by division. My team does a very thorough strategy and planning process, to align to our goals. We are not the rule, rather are the exception.

- Our social media marketing strategy has been incorporated into our overall communications and marketing plans. It is not a strategy in and of itself. We view it as another channel/medium to reach a particular target with relevant messaging.
- Very informal, and done mostly during the budgeting process. We have had little time/resource to measure anything or formalize new processes these past two years because of the economy. Our intuition had to guide us, since there was little time for anything else. Our eyes were on survival, not with any problems of management buy-in or lack of understanding/agreement to the benefits of social media marketing techniques.
- We are hoping to select an outside vendor that can help us develop a social media strategy as part of our overall strategy this year.
- Social media marketing is a key aspect of our annual planning. Additionally, it is integrated into our various marketing campaigns. It is part of our ongoing strategy for each marketing communications functions (PR, ADV, Events) and in product marketing area (technical forums, communities, etc).
- We are in the process of creating a formal strategy and policy for the firm's employees to follow when engaging in social media.
- We are currently in the process of researching which social media is a good fit for our finance organization. Just a note unrelated to this particular question. For several of the initial questions in this survey it was unclear to me if you were asking questions in relation to our company or my thoughts in general. I answered in relation to our company.
- By the seat of our pants!
- Our social media monitoring is spread between many people and we are currently working to put this in sync along with using one source to gather information (Radian6) for better accuracy and consistency. With this our various teams should be able to work more in sync to create a clearer objective to our social media plan.
- We use social marketing to engage with our customers. We view it as another channel into our target audience. Like all channels, it has its own positives and negatives, and my team is constantly reviewing what's working and what's not and trying new ways to engage our audience through these new tools.
- A process is in development as we determine if social media is an effective way to market to our target audience of business users as opposed to consumers. We have dipped our toe into this platform so to speak with Facebook, Linked In and You Tube and are currently developing a blog platform.
- We really don't have a process. Any PR, news, events or campaigns that we run just get put on the social networks (Twitter, Facebook, LinkedIn and our own NING network) at the same time we launch the other communication. We think these need to be improved.
- We don't have a formal process. We're experimenting and seeing where things lead to.
- For 2010 we will have a Marketing Content Strategy with topics and a plan to repurpose all content through multiple channels including webinars, white papers, blogs, twitter, discussion groups. Our blog is a team blog and has see tremendous growth over the last year.

- We meet with our PR firm to discuss various options open to us and to determine what we can manage with a limited staff. Our meetings are not regularly scheduled - when we have time to focus some attention on social media, we do. When other activities such as events or media relations ramp up, they take precedence.
- Basically, we realize the need for this to support our brand, but have done nothing as far as a marketing strategy. Upper management doesn't necessarily realize the value for our business.
- While we have social media guidelines in place, they are loosely followed and employees are generally left to use their own discretion in the use of social media.
- Social Media is a tactic and not strategy. Social Media is planned as a means to increase our online visibility, to stay relevant and in line with how our customers use social media.
- We just finished writing up our company's first social media plan. It was a collaborative effort between marketing and sales to first determine what sites our target prospects were on and then come up with a plan-of-attack for using these sites' features to promote our brand and engage our prospects.
- It's an evolving process....we've identified the sites our target base is likely to frequent and then developed content strategy for each.
- We are just starting to explore the area of Social Media and Social CRM. We've done blogs and have a community site, but no other aspects of social media are being used with any effectiveness at this time.
- We review different social marketing vehicles, and then decide how to include them in our overall campaigns. They are only a piece of a bigger thing, not THE thing.

3.07 B2C Marketers Share Insights on Planning a Social Marketing Strategy

Q. What process, if any, does your organization use to plan its social marketing strategy?

- Process? Ha! More like a constant fire drill. Twitter and FaceBook are up and running, but don't seem to be producing customers - just a little trickle of traffic. LinkedIn has the most potential, but the effort of getting 70 semi-computer literate sales people to set up their profiles is exhausting. We are, however, planning an awesome blog, set to launch soon.
- Informal planning meetings, using insights from webinars, colleagues, and agencies. This process happens over and over as we learn new tactics and receive feedback from target audience.
- I like to watch other web communities that are in non-related industries. Seeing what resonates with their consumers, dissecting it to its most basic elements and translating it to my industry. Reddit.com is great for this.
- We are still in the listening phase. We've involved many marketing reps to learn the ropes and contribute. They all have experience with social media and enjoy being included. It's about fostering a cultural shift. As we learn, we're thinking of ways to streamline or improve the interaction. The staff also realizes that our goal is also to develop a better ROI model and measure results.

- Meeting with marketing, product manager, creative team - formulate plan based on previous plans - marketing/creative team execute plan.
- At this point, we have merely done some testing without setting any clear objectives. This is the result of pressure to participate without the time to create and implement a clear plan.
- We are incorporating social media into our overall marketing strategy, aligning our social media messages with those you find in-store, online, through DM, etc. The marketing department is driving strategy, with input from e-commerce, merchandising, etc.
- Traditional analysis of above the line and below the line metrics - the end results need to be the same therefore the analysis, planning and execution of media plans essentially remains stable.
- I researched best-practices, reviewed what other associations have done, and then after a discussion with our marketing team about goals for our involvement, I created and executed our plan.
- Ad hoc conversations based on observations of what others are doing and what looks effective. We don't use a formal process.
- Targets are set by topic, or subject, that we wish to address, which means we are constantly seeking those social media users who converse about those topics.
- Currently it's an ad hoc, reactive strategy. We have rough ideas/plans for social media programs but lack the human resources and time to develop them.
- Set goals! Investigate the motivation of our audiences, determine how our goals and our audiences motivations meet, and plan to provide content that meet both criteria. Then determine metrics that displays success for our actions.
- We defined and documented our social media goals before assigning resources. For us, it's most important to encourage users to participate in a community related to the use of our products. We are happy when consumers talk to each other and will win if we can facilitate that discussion.
- We do the basics with Facebook and other minor social networking practices, but don't have the staffing to make that a priority. In this economic environment we have been unsuccessful so far in making our customers care about our website as much as the print advertising, which is disappointing to me, but that's my reality. Thus social media strategies will not get funded with time or resources beyond basic for now.
- I am a 1-person operation, so it is difficult to do it all. I need to write down a plan of action and work it, and I will have to set the time to do that. It would be no different than a marketing plan, but specific to social media. It should be integrated, and that is another thing I need to look at and learn more about.
- In 2009, we hired a social media research firm to determine where are customers are in the social arena and what our strategy should be for leveraging our brand presence. Unfortunately, their recommendations were very generic. We have created profiles on FB and will be rolling out a blog in 2010. At this stage, we're trying different things to see what our customers respond to. We have a forum, but participation has been negligible.

- We are currently completing a 6-month social media monitoring engagement with an agency that we hope will lead us to create a social media strategy for the year ahead.
- Social media strategy is integrated into our overall marketing strategy planning. We typically start any project with clear documentation of goals, metrics by which we'll measure progress towards those goals, and specific tactics.
- We have recently begun a collaboration with consultants in this area and have found that we know what they know; i.e. there's no real gap in knowledge, ideas and strategic capability. What we need is outsourcing of the work. We in eBusiness do not have the necessary resources to pick up multiple new media channels.
- We have a very clearly defined social media strategy, which we are following; however, as a recently launched start-up with limited resources, we're still developing formal processes for managing, evaluating and measuring our efforts.
- I basically look at all options I am aware of and then come up with a plan that I think will fit our brand and customers best as well as limit myself to what I can manage well, rather than trying to do it all.
- Our efforts are focused mainly on Facebook. We give away products once or twice a week that generate hundreds of emails for each giveaway. When the Giveaways are not going on we post to the wall Sales and Promotions. All of this is tracked through Analytics.
- We are really only a few months into a formal organization, function, and owner of this. So shortly we will have plans, strategies, and formal process.
- I am the solo Social Media person at the company, and volunteered to do it (as a self taught consultant - I am not am employee) because I know it's important to do. I am learning as I go, and I don't have formal processes in place. It is challenging finding the time to set those up since we want to see the ROI so I am focusing on execution right now.
- Same as we do for marketing through any communication channel. What is our overall communication Objective and Strategy, how does this vary by different target audiences and what are the most effective ways of reaching each. Develop the plan and implement. Implementation is different, as it is very operational - we define what we will say, how we will say it and the frequency with which we will communicate. This is the overriding plan, but then we have a process for responding to member input - who is responsible for monitoring, developing response and securing approval if outside defined parameters.
- Currently it's a secondary strategy, primarily serving to support our coop members and provide customer service.
- We have a social marketing communication matrix that calendars messages by medium that aligns with our overall corporate marketing strategy. Human resource constraints limit the ability to execute this plan effectively and limit the ability to dive deep into nurturing and leveraging the networks.
- Our work with social media is somewhat haphazard and sequential. We don't typically engage a multi-pronged/integrated approach.

- We attempt to align current sales goals with offline and online strategies that include direct mail, ezines, blogs, etc. We take advantage of the RSS capabilities available throughout the different platforms to help spread our content. We're very, very small, but very effective in our use of digital media and social networks. We feel it will only get better.
- We work with an outside agency and have one internal headcount dedicated to social media. We focus our strategy around both PR (notifying our fans of upcoming specials and new products) and it's a powerful tool for customer service.
- Go to our current core group of customers, ask where they
- We are a firm's foundation. We are developing one-sided information about our activities, and then will try to develop a dialogues database.
- Currently, we don't have any processes in place; however this is an objective for 2010. We did not anticipate social media would become such an important part of our marketing strategy in 2009 and have spent the year trying to establish an online identity outside of merely hosting a website.
- We are a funeral company and have set up our own Online Memorial website for families and friends of the deceased to remember the deceased, tell stories, upload photos & videos, write stories and pay tribute. They also interact with each other regarding the deceased.
- We developed our social media strategy in-house by educating ourselves on how to do it and making sure it's integrated with our marketing and business objectives. It took is 3-4 months to develop the plan.
- Organization is still concerned with monitoring and security issues. As we plan communications and marketing strategies we realize that we can't overlook social media. It's slow to convince management.
- We have set up a committee to present the strategy to our director so we can have administration buy-in. The committee will be responsible for carrying out the social media duties, with feeds from all departments.
- The Director of E-marketing conducts evaluations and research that are used to inform strategic planning efforts about how/where SMM should be integrated in the overall marketing effort. In this role, I am also responsible for developing the necessary infrastructure (policies, operations, training, etc.) that will be needed to support those recommendations.
- We identify what channels we want to address - Twitter, Facebook, Digg, blog - then track using cookies and invite codes. We do A/B optimization whenever possible to refine our messaging and implement those results in other areas (homepage for example), with additional testing.

A Practical Method for Mapping an Effective Social Marketing Strategy

3.08 The Social Marketing ROAD Map Defined

Research	**Gather intelligence on target audiences, social use and competition.** Stop, look and listen – it's the first step to an effective social marketing strategy. Profile your target audiences and their social characteristics. Monitor their dialog and how preferred platforms are used. Benchmark brand popularity, share of voice and other qualitative and quantitative social metrics for your company and competitors. This is an opportunity to also assess your organization's existing resources, communities and digital assets that will add value to your strategy.
Objectives	**Define objectives aligned with target audiences and social metrics.** Forget about soft objectives like "increasing awareness". Achieving hard, measureable and targeted objectives is the only way to win over social marketing skeptics who control the budgets at your organization. Segment, select and prioritize target audiences by social status. When possible, align objectives with metrics traceable to financials like ROI, cost-per-lead and sales conversions rather than qualitative measures like sentiment. There are a variety of free tools (Google Analytics, Feedburner, etc.) and commercial analytical solutions for providing the quantitative tracking data required.
Actions	**Create a social marketing strategy with a tactical plan of action.** Once you have established your targeted and measureable objectives, you will need to plot a course of action for achieving the desired outcomes. This section will specify the social marketing tactics, implementation timetables, campaigns and best practices, roles and responsibilities, policies and procedures, and budgets your strategy will require. It will also define your social marketing architecture – the pathways for connecting target audiences and conversations to content hubs, landing pages and conversion points.
Devices	**Select platforms that fit social marketing architecture and tactics.** An effective strategy is expected to outlive the brief lifespan of today's popular social platforms. Therefore your ROAD Map to this point has been technology-agnostic. But now is the time to identify, assess and select the appropriate social platforms (or Devices) that fit effectively into your current social marketing architecture. If a social network is appropriate, will it be Facebook or LinkedIn? Do you need to build a private customer service forum or will a Twitter account be a better solution. These are the final questions your strategy will answer.

EDITOR'S NOTE: To read the executive summary of the MarketingSherpa 2010 Social Media Benchmark Report, please visit MarketingSherpa.com/SocialMediaExcerpt.pdf. For more information on how to obtain the entire report, please visit SocialMEx2010.MarketingSherpa.com.





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April 19, 2010

Social Media Marketing in Four Steps: A methodology to move from sporadic to strategic use based on research with 2,317 B2B and B2C marketers

Social media marketing has been a blazingly hot topic for marketers in every industry this year. But since this technology is so new, there is still a daunting knowledge gap.

This article will delve into MarketingSherpa's research to help you better understand the social media landscape as well as share some ideas, based on MarketingExperiments' optimization principles, to help you apply these research findings.

MarketingSherpa's 2010 Social Media Research:

For its 2010 Social Media Marketing Benchmark Report, MarketingSherpa conducted research with 2,317 B2B and B2C marketers to gain an understanding of social media consumption, user behavior, budgeting, financial metrics, the integration of social media into email and search, and usage of Twitter, Facebook, LinkedIn, and blogging (among other technologies).

Based on its research, MarketingSherpa has developed a four-step methodology – the Social Marketing ROAD (Research, Objectives, Actions, Devices) Map. Before we delve into this methodology, let's take a look at a MarketingSherpa case study to get a feel for successful social media marketing in action.

EXPERIMENT #1

Experiment ID: *Moosejaw*
Location: MarketingSherpa Research Library
Test Protocol Number: CS31543

Research Notes:

Background: B2C ecommerce site offering men's and women's clothing
Goal: To increase engagement and brand awareness among key social media channels
Research questions: What will help grow engagement with our social media channels? How can social media impact sales?
Approach: Giveaway contests via social media channels

Social Media Campaign:

Moosejaw's social media campaign, entitled "20 Days of Decent Giveaways," consisted of (as the name suggests) 20 days of giveaways via Twitter and Facebook. Fans and followers could enter by leaving a comment or retweeting.

These were flash contests that only lasted for 30-45 minutes each and the timing of the announcement was random, as was the selection of the winner. The campaign was mainly promoted on Facebook and Twitter with some support from a rotating banner on their website as well as an initial announcement via email.

Example Messages:

Facebook – "First Giveaway: We're giving away 5 pairs of Moosejaw Renton and Latika fleece jackets. Reply to this post to enter. We'll pick 5 random winners in 30 minutes. Good luck. LTM Lola"

Twitter – "We're giving away 5 pairs of Moosejaw Renton & Latika Fleece Jackets. Retweet #WINMJFLEECE to enter to win. We'll pick 5 randoms at 2:30 EST"

Results:

10-15% Increase in Sales

This social media campaign increased sales for products the team used as prizes by 10% to 15% during the effort.

What you need to understand: Blanket measurability of social media marketing, just like blanket measurability of a brand, can be maddeningly hard to nail down with scientific precision. Moosejaw's approach – focus on promoting specific products and then measure the affect on those products' sales – allowed them to derive more accurate sales metrics than a general campaign would have.

However, they still kept an eye on general, intermediate metrics. Overall, the team captured 45% more Twitter followers during the effort, bringing their total to more than 5,600. They also captured 31% more Facebook fans, bringing their total to more than 20,000.

And they also monitored the conversations that the campaign generated…

"Instead of just a customer re-tweeting a single tweet, or replying something random [in Facebook], they really got into it and talked about why they liked the product, why it's a good product, why they love the brand, and why they love Moosejaw."

– Gary Wohlfeill, Creative Director

(EDITOR'S NOTE: While we provide you with this case study as an excellent example of using social media to impact a truly important metric, please keep in mind that according to Facebook's most recent promotion guidelines, this activity would appear to be prohibited – "You cannot: Condition entry in the promotion upon a user providing content on Facebook, such as making a post on a profile or Page, status comment or photo upload."

This brings up an important point to consider when using social media platforms – you are subject to their terms of service.)

HOW CAN YOU GET THE MOST OUT OF SOCIAL MEDIA?

An experiment like this is an excellent way to illustrate successful principles in action. But to actually make it work for your organization, you need a deeper understanding of what it takes to generate such a campaign for your brand.

And that is where we will focus for the rest of this article. We will show you a social media strategy that our sister company, MarketingSherpa, has developed based on their current research. And then we will illustrate how to apply the MarketingExperiments methodologies to this overall strategic framework to create and optimize social media engagement.

The State of Social Media Marketing:

To understand where we want to go, it is important to judge how the industry currently uses social media marketing. So let's start to scratch the surface of MarketingSherpa's research findings. While these initial findings will not be surprising to anyone familiar with social media, they will serve as an important base off of which to build.

Social media has created a new world of opportunities for marketers but many are exploring without a compass, simply captivated by the hype and ease of implementing social sites. This is not unique to social media; this same pattern is often played out in the early adoption of promising technologies.

Since social media has been caught up in this wave of excitement, many marketers are ignoring proven practices, and launching activities that can be beneficial or detrimental to a brand without a plan or purpose. Since many brands have been created at the cost of millions (if not billions) of dollars, this is perhaps a more risky venture than many marketers realize.

And since these marketers tend to be more focused on an individual device or platform, many are thinking tactically rather than strategically about objectives. In other words, Twitter is not a strategy. It's not even a medium. It is simply a microblogging tool. If this were a standardized test, the comparison would be: Twitter is to microblogging as NBC is to television broadcasting. We don't mean to belabor this point, but due to the hype and impressive growth surrounding some social media brands, it is important to keep their use in the proper context for the purpose of this research article.

Now for the good news. As the sector is growing, a momentous change in the use of social media is taking place. Social marketing is maturing and methodologies are emerging…

Two-Dimensional Approach:

To guide marketers through overcoming these challenges, MarketingSherpa has created the Social Marketing ROAD Map, a practical method for mapping an effective social marketing strategy.

Social Marketing Maturity is in Transition:

Social Marketing ROAD Map and Social Marketing Maturity Model			
Social Marketing Maturity Phases	Phase I: Trial	Phase II: Transition	Phase III: Strategic
Social Marketing ROAD Map Method			
Research	Gather intelligence on target audiences, social use and competition		
Objectives	Define objectives aligned with target audiences and social metrics		
Actions	Create a social marketing strategy with a tactical plan of action		
Devices	Select platforms that fit social marketing architecture and tactics		
Social Marketing Maturity Benchmarks	No Process, Platform-Centric	Informal Process, Randomly Performed	Formal Process, Routinely Performed

Not only did MarketingSherpa create a social media marketing methodology based on its research, it segmented marketers' current efforts based on how mature their current social media efforts are. Throughout this article, you'll see that the research is presented not just in the aggregate, but segmented by the maturity of the marketers.

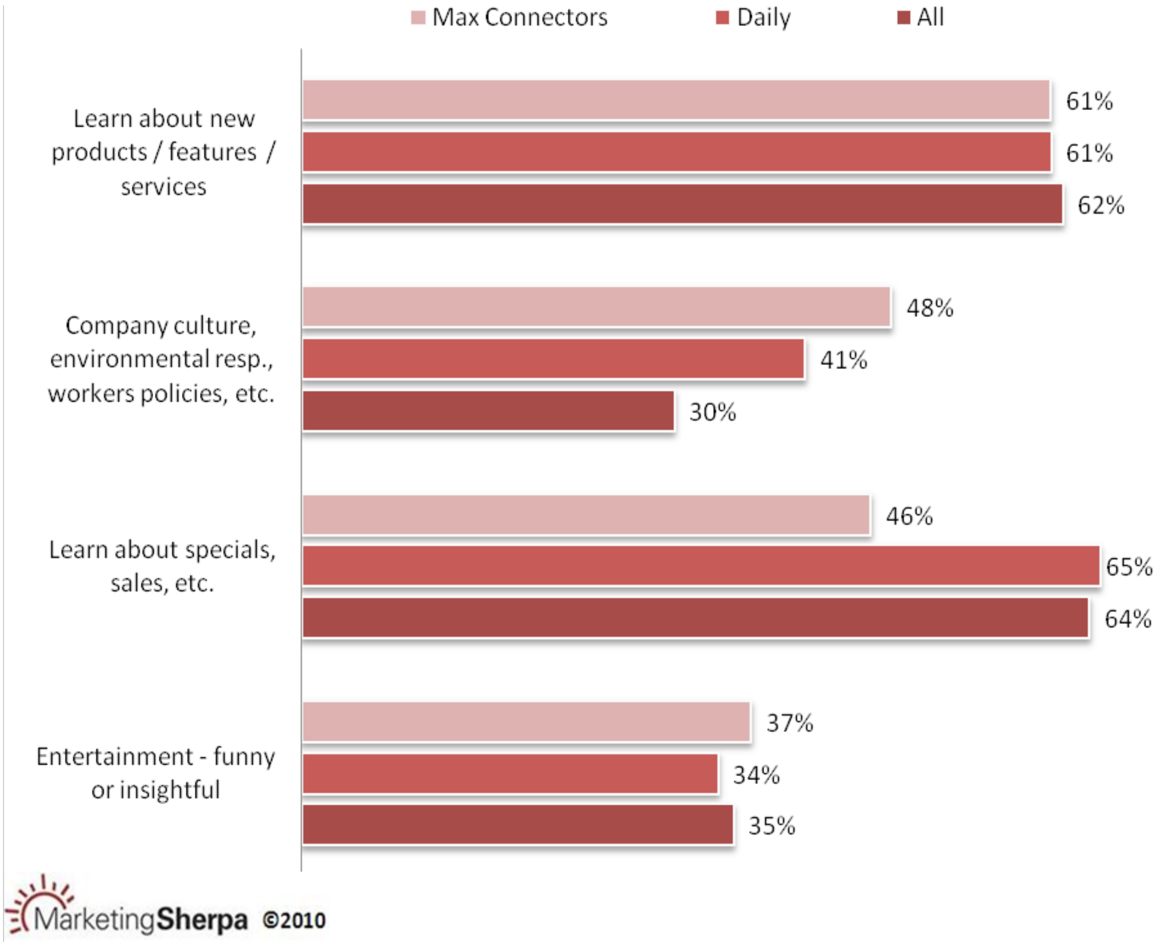
(EDITOR'S NOTE: To learn more about the research behind this methodology, you can read the "Social Marketing Maturity and the Social Marketing ROAD Map" article on page 51 of this Research Journal.)

ROAD MAP – RESEARCH

In this stage, you gather intelligence on target audiences, their social media use, and your competition. You monitor dialog, interests, social behavior and platform preferences and try to profile target audiences by their social media characteristics (e.g., "silent majority," "vocal minority," "social authority"). And you conduct the research to benchmark brand popularity, share of voice and other qualitative and quantitative social metrics for your company and competitors.

Why Customers Friend and Follow Companies

Social media is simply a connection and communication between people. This is not new. But as your brand tries to join this conversation, it is important to understand the reasons your audience wants to connect with you in social media. Using the chart below, you can gain some general insights into what could motivate your potential audience to track your brand and organization through social media.



Source / Methodology: MarketingSherpa and Survey Sampling, Popular Media Study / Fielded Dec 2009, N=1,314

"Shopper" issues are the leading motivator for most consumers. However, those with 500+ followers/connections (dubbed "Max Connectors" by MarketingSherpa and said to "exemplify the new social consumer") are disproportionately interested in your company culture. For example, they want to know if you are environmentally responsible or have fair policies for your workers.

As much as possible, you should segment your audience by its influence. Everyone is not equal in the social media world. As Malcolm Gladwell explains in "The Tipping Point," if you connect with the right people, they can have a disproportionate affect on how widespread a message is conveyed.

That message spread can be positive or negative. For example, Nestlé has had recent serious struggles with social media after environmental activists accused it of contributing to the destruction of Indonesia's rain forest.

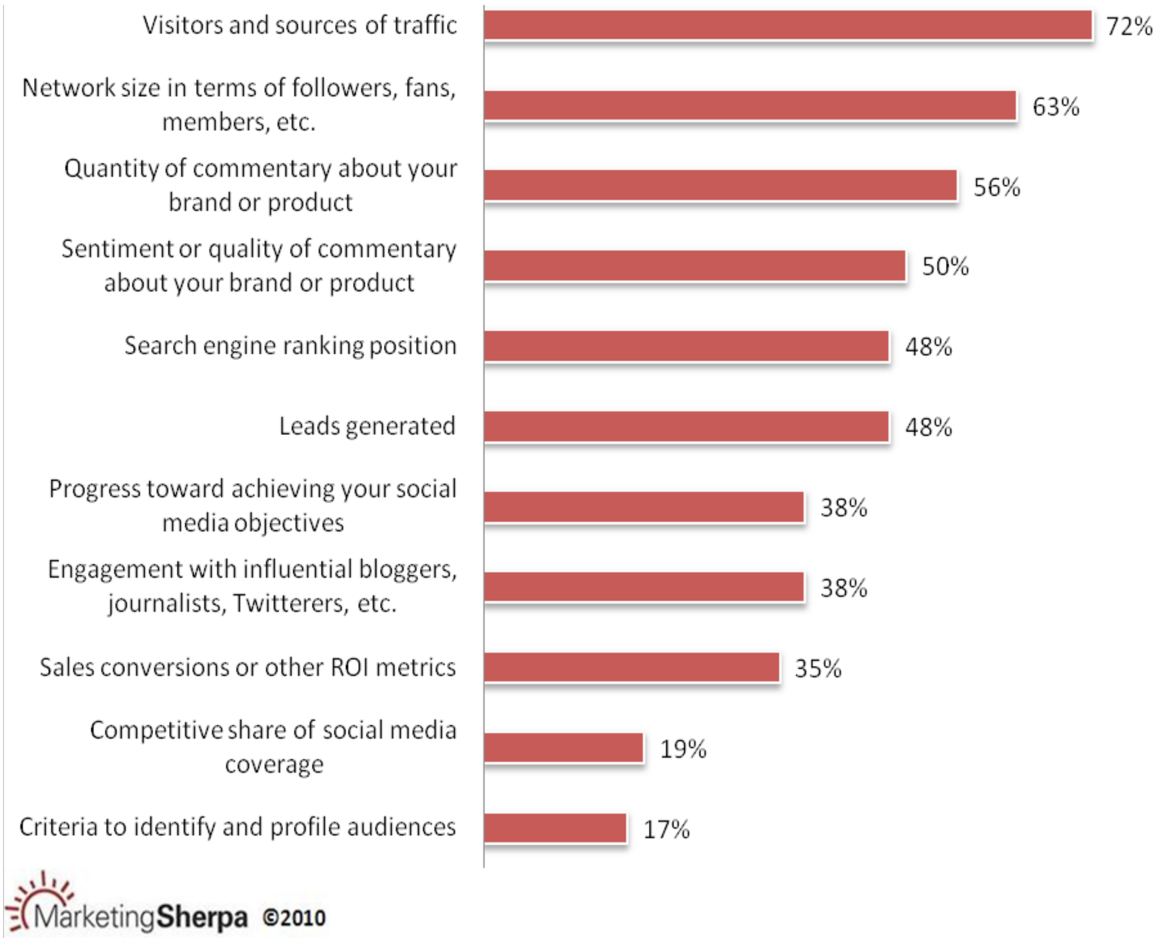
That is why your social media interaction with Max Connectors is crucial. Consider Transparent Marketing when using social media.

For example, as the chart above shows, environmental responsibility is important to Max Connectors. So share your environmental and sustainability initiatives with your stakeholders. And admit your faults in these areas where you fall short, as long as you're continuing to push ahead in a positive direction.

Most importantly, do not try to put a positive spin on everything. And especially do not broadcast false altruism, such as bragging about a court-ordered environmental clean up as if it were an organic example of a proactive initiative the company was undertaking of its own volition. You must live what you tweet, so to speak. The quickest way to create an explosion of social media backlash is with hypocrisy.

Monitoring and Measuring Impact:

What are you monitoring and measuring to quantify social media impact? Half of marketers track qualitative metrics like "sentiment." And there seems to be a missed opportunity to identify target audiences and understand their social media usage and activities.



Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

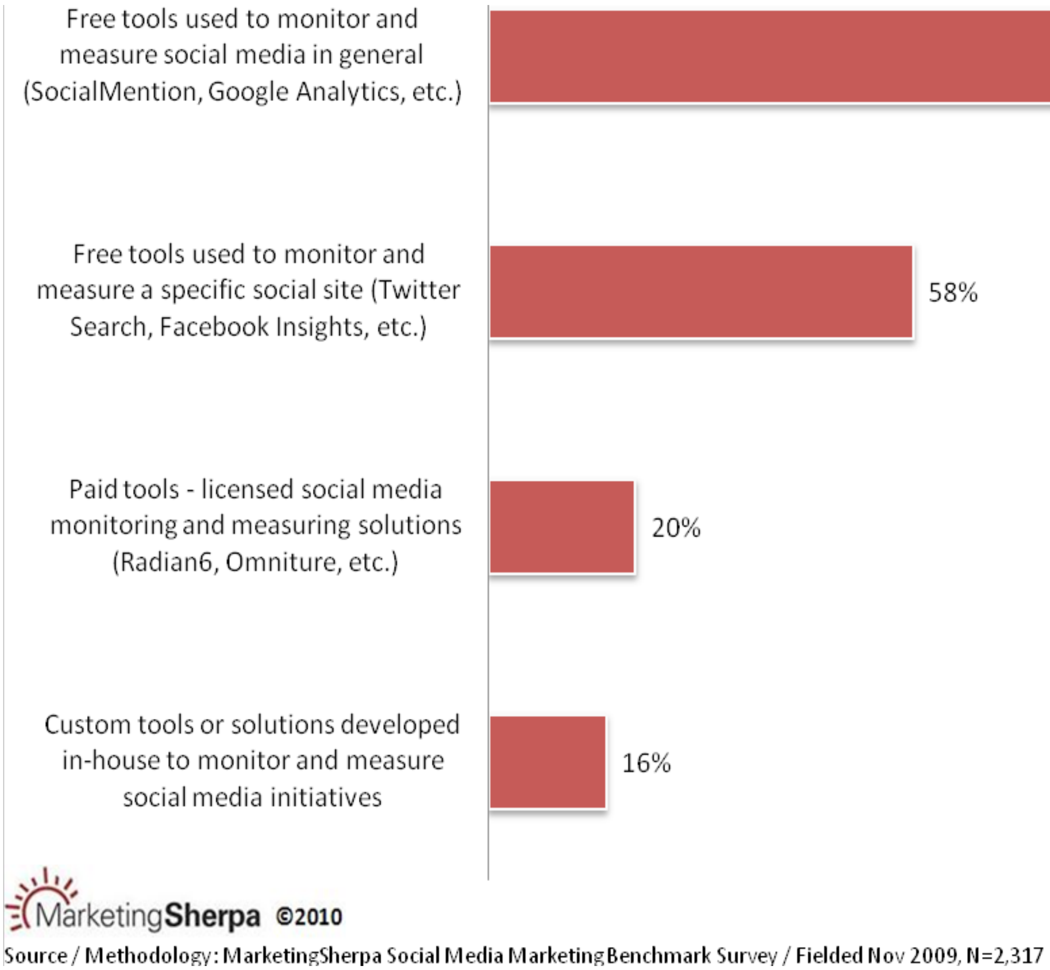
Two straightforward ways to measure your impact are monitoring your mentions and following. There are many ways to keep an eye on your mentions. For example, you can measure tweets with free search products like Google Alerts, Topsy, or Twitter itself. Or you can observe a streaming conversation in real time with a product like TweetDeck.

Measuring your following is even more straightforward, with simple metrics clearly listed on most social media platforms. Although, you must keep in mind that it is important to consider more than just the size of the following, but the quality of the following as well.

Whatever you decide to measure and however you decide to do it, there are a plethora of options available…

Monitoring and Measuring Solutions Used:

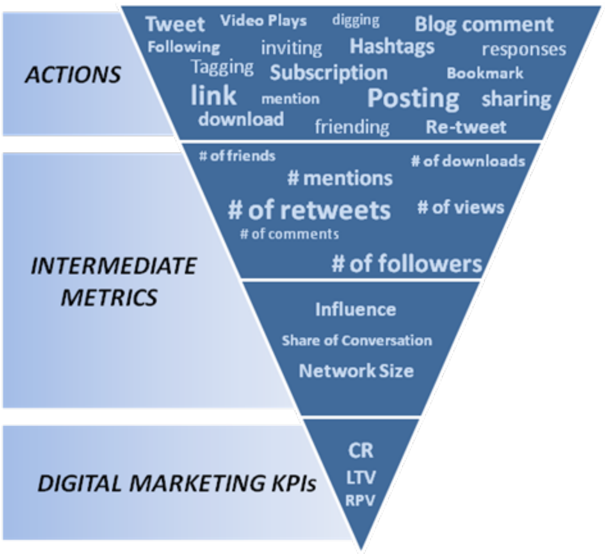
What type of tools or solutions is your organization using to monitor and measure social media initiatives? “Free tools” are now loaded with features but, enterprise-level initiatives may require more comprehensive solutions.



While each tool and service has its own opinion on what to track and its own proprietary way to track it, a good rule of thumb is to always focus on quality. Regardless of how many or few followers or mentions you have, a key question to ask is – “How is that activity helping support your other strategies: list growth, education, authority, etc.?”

Practical Application: What should we measure to understand our audience?

Now to get down into the nuts and bolts of actually doing that upfront research you need to understand your space in the market. Everything you want to measure you can basically break down into three containers – actions, intermediate metrics, and digital marketing KPIs.



Identify target actions

Track relevant and intermediate metrics

Correlate user activities with desired outcomes

Actions are many of the buzzwords you've probably already heard (and some ever-changing ones you might not be familiar with), from "friending" to "digging." These will likely vary for you depending on your business and target audience. For example, for a commercial architecture firm, the number of blog comments on a post about saving money with LEED certification might be a good target action. But for a skateboard manufacturer, the number of YouTube video plays of a pro skateboarder using your equipment would probably be a better target action.

Intermediate metrics will help you measure these actions. There are two kinds of intermediate metrics – primary and secondary. **Primary intermediate metrics** are simply a tabulation of the aforementioned actions. **Secondary intermediate metrics** are an attempt to quantify these actions at a more holistic level. If you have a branding or PR background, these types of metrics are similar to Brand Equity Measurement or a Q Score.

Digital marketing KPIs (key performance indicators) are your ultimate goal. It's very easy to get caught up in the intermediate metrics. But "number of followers" or "retweets" only matter in so much as they drive a bottom-line result for your business – such as LTV (lifetime value of a customer).

The only way to correlate activities to outcomes is to compare samples – either before and after, or company to company. And an easier way to do this, especially if you're a large company with several brands or products, is to limit your sample size.

For example, in Experiment #1, Moosejaw focused on immediately measurable outcomes for a specific set of products.

ROAD MAP – OBJECTIVES

Once you know where you've been, you need to get a handle on where you're going. To do so, you must define objectives aligned with your desired audiences.

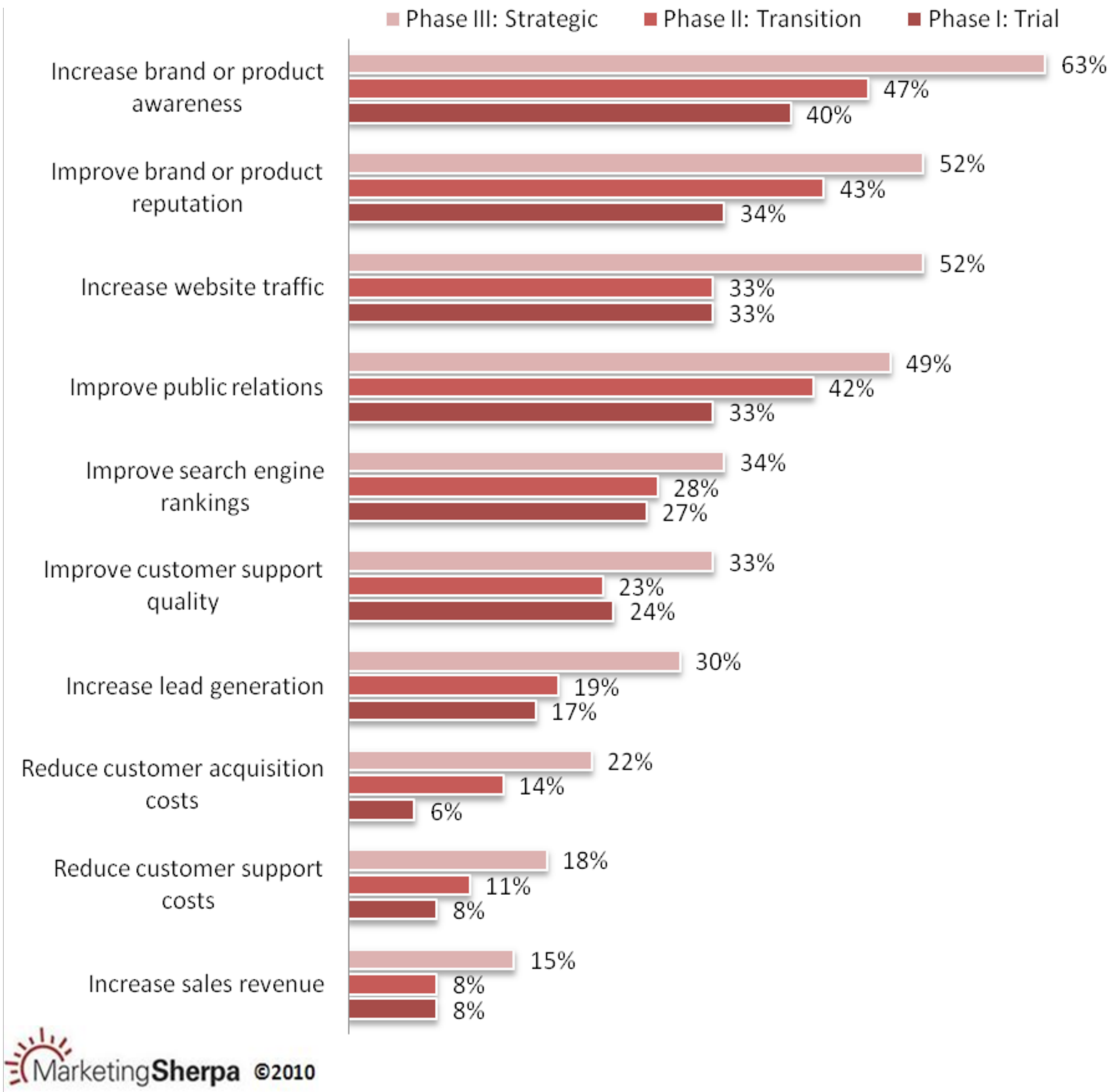
Once you segment, prioritize and select your desired audiences based on their social status, you must focus on hard, measureable and targeted objectives to win over skeptics and financial support. It is important to align your objectives with metrics traceable to ROI, rather than just qualitative measures.

First we'll look at some MarketingSherpa research data to get an idea as to how your peers are setting and measuring their objectives. Then we'll give you an action plan to get you started on your own objectives.

Objectives Social Marketing Achieves Best:

Here are the objectives social is “Very Effective” at achieving according to marketers (broken out by Social Marketing Maturity).

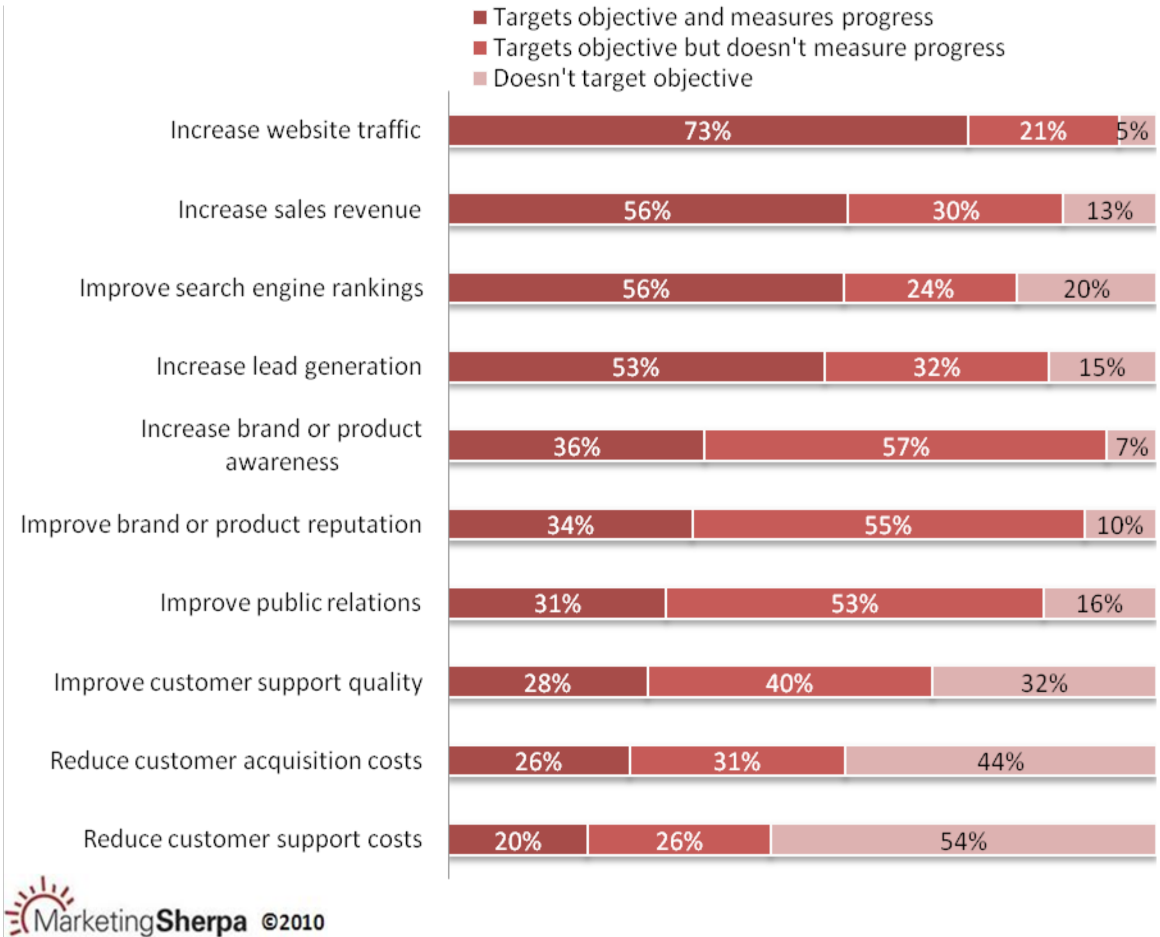
You’ll note that all phases prioritize objectives in the same order. However, strategic phase marketers are much more effective at achieving objectives.



Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

Targeting Objectives and Measuring Progress

Does your organization target social media marketing objectives and measure progress in achieving them? Here’s what your peers had to say…



Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

The Web site is the hub of most marketing strategies, so it makes sense that traffic is the most targeted and measured objective. At the bottom end of the chart, there seems to be a missed opportunity in targeting cost reductions.

Now that you see what your peers are measuring in the above two charts, consider what *you* should be measuring.

Forget about soft objectives like "increasing awareness." Achieving hard, measurable and targeted objectives is the only way to win over social marketing skeptics who control the budgets at your organization. When possible, align objectives with metrics traceable to financials like ROI, cost-per-lead and sales conversions rather than qualitative measures like sentiment. There are a variety of free tools (Google Analytics, Feedburner, etc.) and commercial analytical solutions for providing the quantitative tracking data required.

Practical Application: How do I connect my business objectives to a social-media campaign?

In Experiment #1, obtaining 45% more Twitter followers and 31% more Facebook fans were great results from the campaign. However, these results provide little business value disconnected from the 15% increase in sales generated from the campaign.

Even beyond immediate sales, true success measurement will come down the road when they look at a year of data to discover if there was a smaller, but persistent increase following this event? To understand the answer to questions like this, you need a regimented, strategic approach to measurement.

Connecting objectives to social media

The following five-step process is an example of a disciplined process to help you use your objectives as a basis for a measureable social media campaign. The first three steps already exist and are, essentially, forms of business intelligence. Steps four and five are what you must put into action in your campaign.

We'll use a generic tax preparation service to illustrate this example:

1. **Identify Customer Segments**

Through simple analysis of customer data, a tax preparation service identifies adult females aged 35-55 as a strong segment to reach out to.

2. **Understand Their Communities**

Through social media management tools (e.g., Radian6, ScoutLabs, Sysomos, BuzzLogic, VisibleTechnologies, etc.) and customer surveys this company was able to understand that their target segment primarily engaged socially on Facebook.

3. **List Your Business Success Metrics**

This company determined that their key success metric for this campaign was net revenue from online sales of their tax preparation software. You will likely have different KPIs (key performance indicators) for different campaigns.

4. **Correlate Requisite User Actions**

For this company, net revenue correlated to the number of Facebook fans and quantity of comments. If visibility into transactional data is unavailable, at least correlate arrivals to the top of your sales funnel with social media activities.

5. **Trigger Action through Engagement**

This company determined that their main engagement would consist of joining related groups, participating in relevant group discussions, meaningfully relating discussions to their own group, and advertising their own group in other activities.

This is where you can test your engagement efforts: using contests vs. giveaways, user-generated content vs. in-house bloggers, etc. Even the structure and timing of your tweets can be tested for their ability to elicit the actions defined in step four. Essentially what you're trying to find, as with any other business activity, is the cost of the action versus the return you can expect.

ROAD MAP – ACTIONS

Once you have established targeted and measurable objectives, you will need to plot a course of action toward achieving the desired outcomes. Basically, now that you know where you are (from the Research phase), and now that you know where you would like to go (from the Objective phase), how do you get there from here?

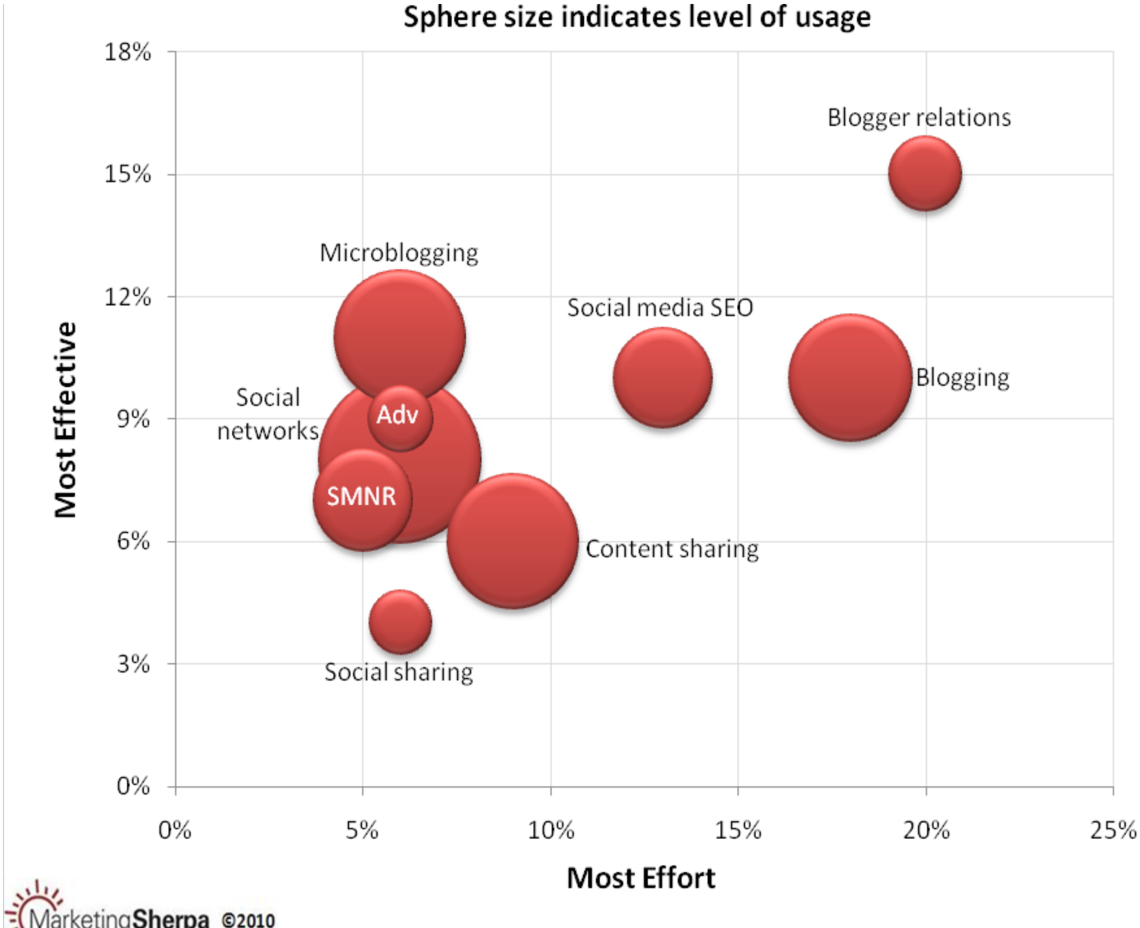
So how can you create a social marketing strategy with a tactical plan of action? You need to understand the roles, policies, and procedures that will be required in your organization to create your strategy. You also must establish specific campaign tactics and timetables to execute that strategy. And finally, you need a social marketing architecture to connect audience with content, landing pages, conversion points, and the like.

This section will help you define your social marketing architecture – the pathways for connecting target audiences and conversations to content hubs, landing pages and conversion points.

But first, let's look at the current landscape…

Effectiveness Concedes to "Fast and Easy":

In this chart, we combine three sets of data – the usage, effort required, and effectiveness of social marketing tactics – to give you a three-dimensional view of each tactic.



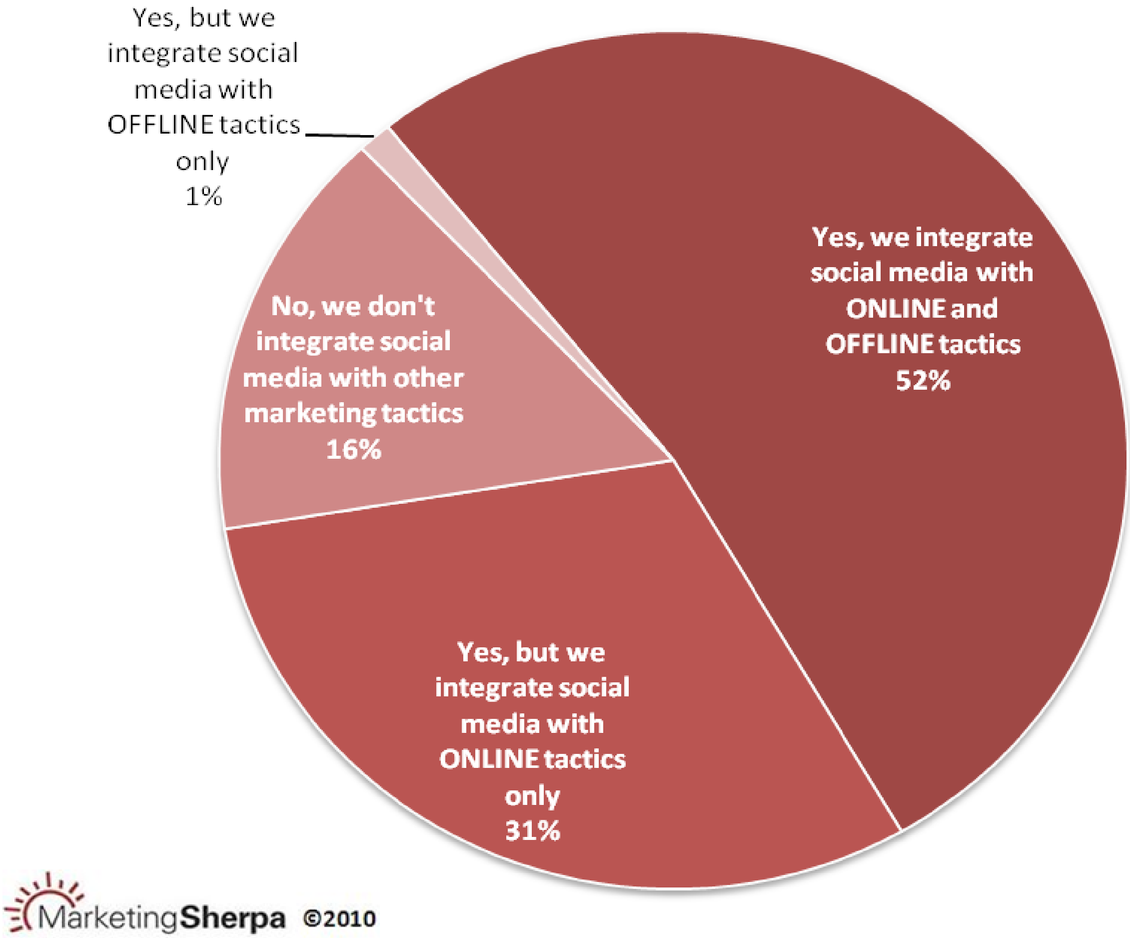
Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

As you can see, blogger relations is the most effective but requires the most effort, so there is low usage. Compare that to social networks. They are only half as effective but since there is a quarter of the effort required there is a high level of usage.

Advertising (Adv in the chart above) on Facebook and other social media platforms as well as social media news releases (SMNR in the chart above) fall in a similar place on the effectiveness/effort matrix but are used much less, perhaps because of the increased cost involved.

Getting Social Media into the Mix

Does your organization integrate social media with other marketing tactics? Social stands alone in just 16% of social marketing programs, while 83% of marketers integrate with at least other online tactics. For example, a social media push to encourage readers to sign up for an email newsletter or using Twitter to generate more traffic for a blog post.

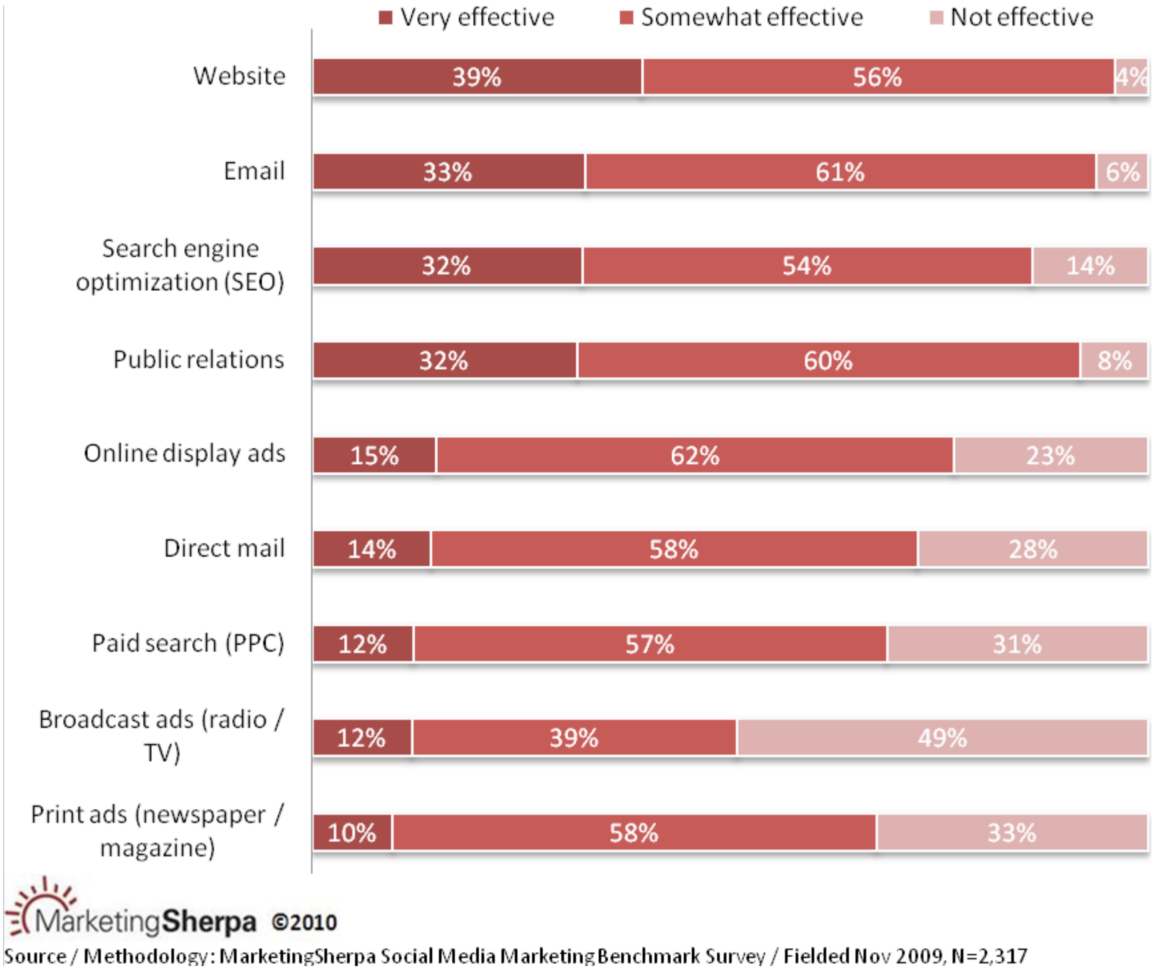


Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

Some marketers go the extra mile – 52% integrate social media with both online and offline tactics, such as a television ad with a tie-in to Facebook or Twitter.

The Payoff of Integration – Effectiveness

How effective is social media integration with other tactics you use? Integration with online tactics seems most effective, perhaps because it is most easily accomplished usually only requiring a link. Online integration also enables tracking from initial engagement to conversion.



The real question to ask is – how will these numbers change as marketers gain experience and engage in more testing of social media?

Experiment #2:

Experiment ID: *SmartBrief*
Location: MarketingSherpa Research Library
Test Protocol Number: CS31466

Research Notes:

Background: Provides free, email-based news summaries for industry associations, professional organizations, advocacy groups and their constituents.
Goal: To increase sharing and social engagement with current newsletters.
Research questions: How might social media increase newsletter interaction and engagement?
Approach: Sequential, multi-factorial email test

Background:

For this experiment, SmartBrief tested the integration of social sharing functions into their email newsletters. While the amount of social media options are many, they focused on a few of the most popular that they felt would be a good match for this audience – Twitter, LinkedIn, and Facebook.

Results:

25% Increase in Sharing

Overall user sharing increased about 25% in social-integrated email newsletter.

What you need to understand: After integrating social media sharing features into the newsletters, user sharing increased significantly. Even more impressive, visits from social networks also exploded (Twitter increased 1,680%; LinkedIn increased 2,070%; Facebook increased 1,351%). Now, 85%-90% of their newsletters include social sharing buttons.

"I don't think marketers have a choice anymore. This is the way people are sharing information now, and it's important to adjust to where your readers are."

– Rob Birgfeld, Director of Audience Development

Practical Application: How do you make sure you are connecting your audience with the right message?

After nine years of testing, MarketingExperiments has developed a media-agnostic meta-theory of optimization. Essentially, this is a way of thinking about how to compose effective messages that will elicit desired audience behaviors.

1. **People don't buy from stores, companies, or websites; people buy from people.**

   You must establish the voice or voices of your company in social media and carry on a genuine conversation. Don't just look at social media as a corporate mouthpiece. If you're familiar with landing page optimization, you will be well aware of this challenge. Each landing page must carry on a conversion with the customer. To do that, it must have a genuine voice and thread of thought.

   Here are some example voices to help you match your company with your customers' personas. You may have a customer service/product assistance voice that focuses on responding to and searching out customers who need help with your product. Your product information voice can update customers to the latest developments without necessarily pushing product.

   And don't forget to encourage existing voices (i.e. your loyal customers). By mastering the two voices up top, and simply providing a good product or service, you should have customers who naturally want to sing your praises. Make it as easy as possible for them using the social media ideas tested in Experiment #2.

2. **We don't optimize ads, websites, or content; we optimize thought sequences.**

   Social media is just a technology that is enabling you to have a genuine conversation. You must not focus on the technology itself, but rather the people behind the technology.

   And to do that you must recognize what thoughts currently exist in their minds. Study your brand as well as your competitors. Understand sentiment and similar measurements.

   And most of all – listen. This is a two-way medium. Not only will you gain an immense amount of knowledge from this valuable audience, you will keep them on your side. If your customers don't believe you are listening to them, you will quickly alienate them. And with social media's ability to make customer sentiment public (and quickly viral) that is a dangerous place to be.

3. **To optimize thought sequences, we must create a personal connection through conversation.**

   This is, after all, the point of social media. But even in web pages we attempt to have a conversation. Buying from you, or even providing you with contact information, is ultimately an act of trust. A hard sell can quickly turn off many potential customers.

4. **Then we must guide the conversation toward a value exchange.**

   You do not necessarily have to sell anything, but you likely want something of value from your customer. Only once we have gained their trust can we seek to capitalize on our objectives, because when a customer perceives they have (or will) get something of value, they are willing to provide the same in return. At this stage, we can drive toward the desired behaviors mentioned earlier – the activities that lead to our desired outcomes.

Example:

Let's take a look at the above example and see what they did right when a customer expressed dissatisfaction.

First of all, they have a customer service agent (in a customer service voice) quickly respond to the complaint. Second, in so doing they are shaping not only the individual customer's perception, but everyone else who sees this page as well.

Third, by speaking in the first person ("I" not or "our department" or "someone will" or even "we"), the customer service agent is making a personal connection with the customer. And fourth, for this customer and everyone else who views this interaction, Jackson Hewitt makes it easy to engage in a value exchange, from something as simple to "Becoming a Fan" to something as involved as using the "Office Locator" tab to buy a service.

This may seem like a simple interaction, but keep in mind that it is visible to the world. And, quite frankly, it is easy to mess it up and end up on the receiving end of social media backlash – as in the example mentioned earlier in this article, where instead of building trust Nestlé added fuel to the fire…

Source: Nestle's Facebook Page: How a Company Can Really Screw Up Social Media by Rick Broida

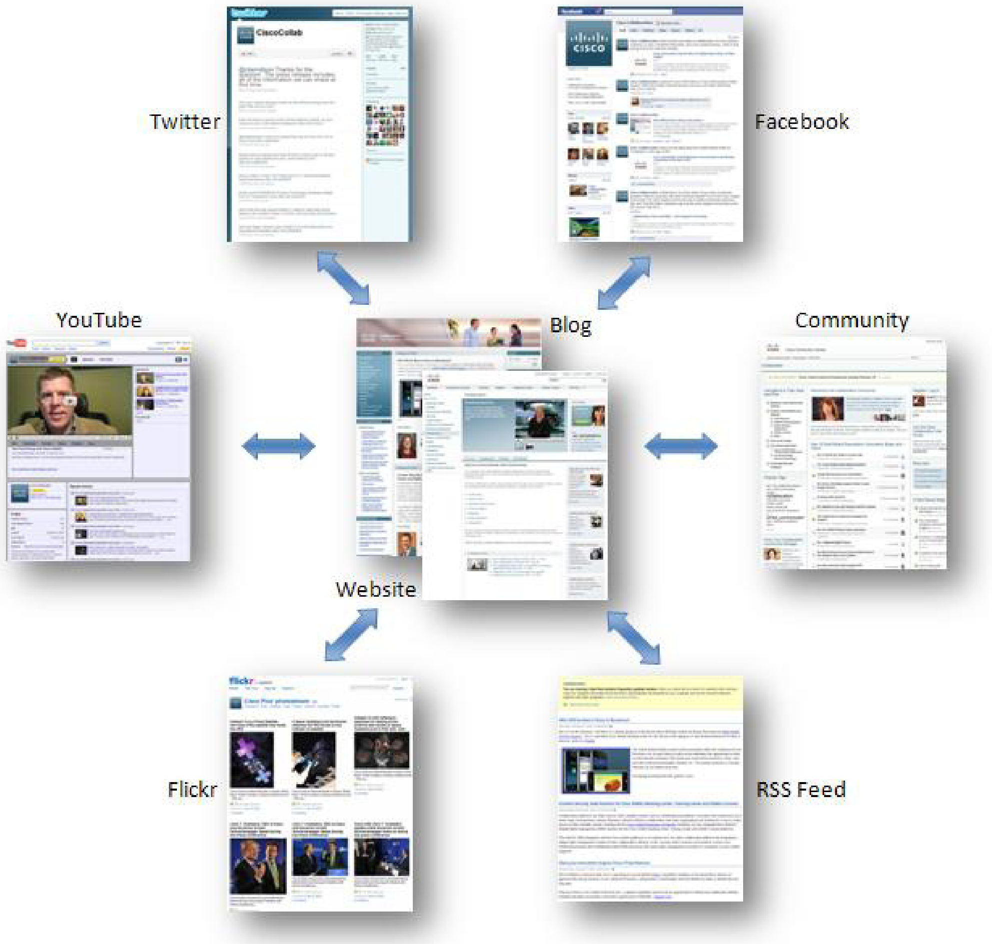
ROAD MAP – DEVICES

Now that you've got everything in place to set up your success, you can move on to the final step. This is the step that most inexperienced marketers start with – select platforms that fit your tactical plan and social architecture.

An effective strategy is expected to outlive the brief lifespan of today's popular social platforms. Therefore, your ROAD Map to this point has been technology agnostic. But now is the time to identify, assess and select the appropriate social platforms (or Devices) that fit effectively into your current social marketing architecture.

If a social network is appropriate, will it be Facebook or LinkedIn? Or perhaps Facebook *and* LinkedIn? Do you need to build a private customer service forum or will a Twitter account be a better solution. These are the final questions your strategy will answer.

Defining Your Social Marketing Architecture



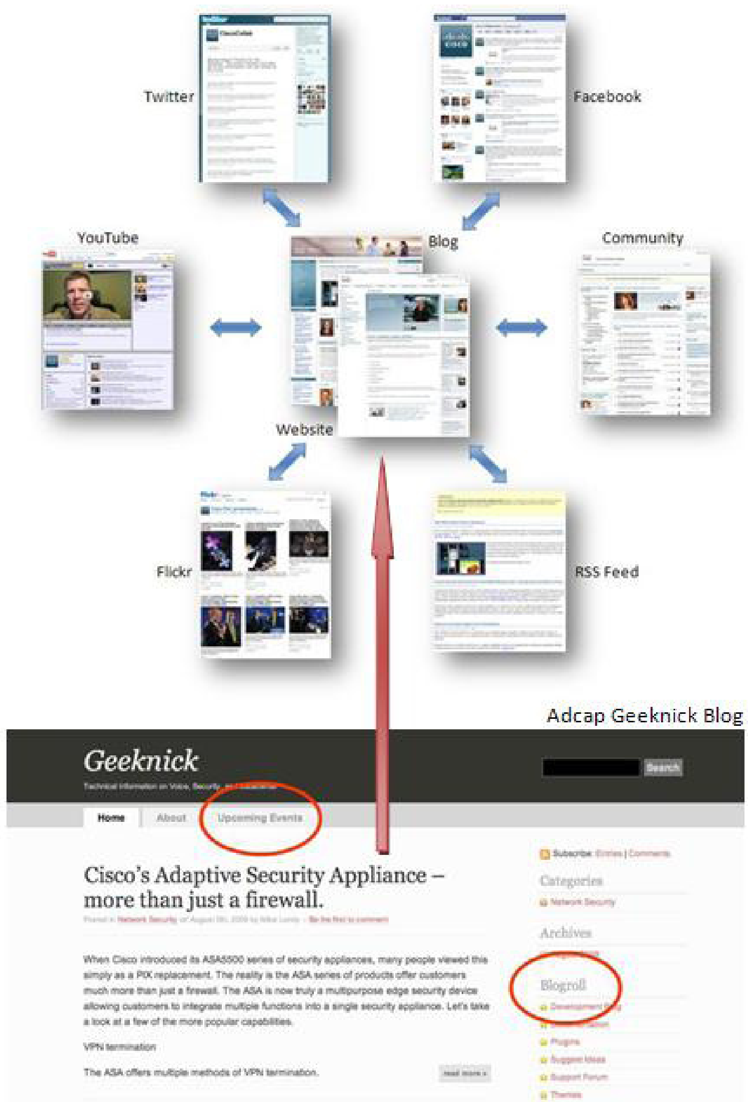
To get ready for roll out, you must draft your social marketing architecture – the bridge between Actions and Devices. Your architecture should create traffic patterns directing conversations from social media devices to content hubs and conversion points.

Since social media platforms are mostly "free," some marketers seek to expand onto as many as quickly as possible. What they quickly learn is that, in reality, social media is a significant investment in time. So you should consider implementing your architecture in phases. Focus on mastering each platform (and the resources required for that mastery) before expanding to the next.

What about content?

When it comes to social media, nothing is more valuable than proprietary content. However, finding the time and resources to produce sufficiently high-quality, proprietary content is a major challenge.

So as a stopgap measure until you get your content machine up and running, you may want to consider repurposing content.



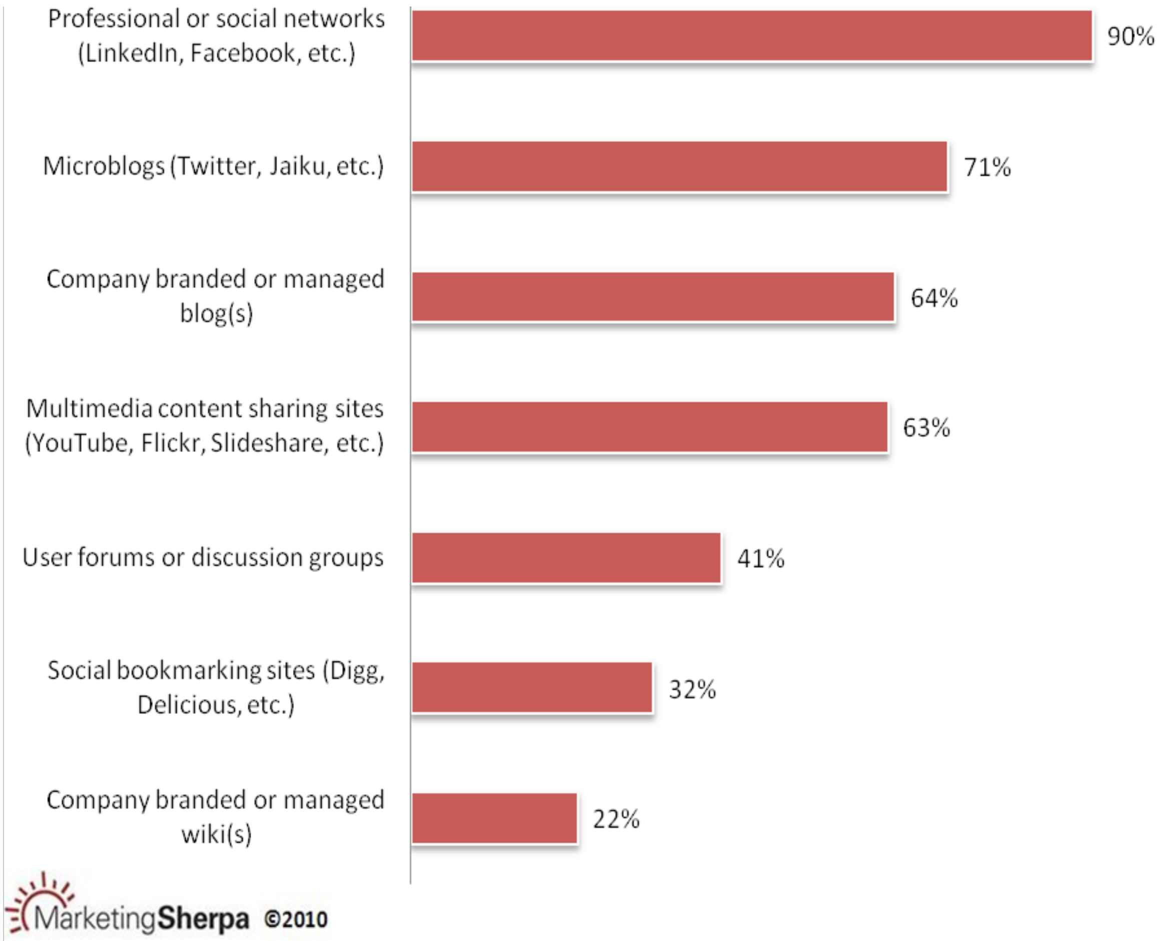
In the picture example, Adcap Geeknick Blog repurposes existing content from the Cisco blog. There is an exchange of value – Geeknick gets content and Cisco gets traffic.

If you choose to repurpose content as a stopgap measure, make sure you secure permission from the content's copyright holder. Also, make sure to credit the content's copyright holder in the agreed upon fashion – for example, with a byline and link.

Deploying Social Media Sites and Platforms

Which platforms does your organization use for social marketing? As you take that last step of identifying, assessing, and selecting the sites and platforms that you need – focus on the tactical fit and effectiveness for your organization rather than on "fast and easy."

Here are the platforms and sites that your peers are using.



Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

Practical Application: How do you manage your different social media platforms?

While social media is often regarded as a marketing function, if you want to get the full amount of value from it, you must take a cross-departmental approach to managing your social media platforms that focuses the proper resources on three key functional areas.

Measure

Your competitive intelligence and product development teams are probably best suited to measuring the intermediate social media metrics that you have previously identified as relevant to your bottom line.

They should also be collecting other social media metrics to continuously look for trends and relationships with bottom-line outcomes.

Not only should they perform these measurements for your company, but they should perform the same measurement for your competitors as well so you can calibrate your metrics depending on what competitors are doing. One competitive intelligence benefit of social media is that you likely have visibility into almost everything they are doing in this arena.

Respond

Mentions of your product, service, or brand that require immediate response should be handled by your customer service department. For example, “my phone won’t turn on.”

Mentions that signal purchase intent should be handled by your sales department. For example, at MarketingExperiments we monitor training inquiries and forward them to our training department for follow up.

Mentions that signal misconceptions, misinformation, or negative publicity should be handled by your public relations department.

Response is a crucial (but often overlooked) function of social media. Since social media is a two-way communication mechanism, unlike a radio advertisement, it is important to engage your audience in a conversation with your appropriate functional areas.

Engage

This function has generated by far the most interest. Your marketing and public relation departments should be the departments in charge of using social media to generate new and participate regularly in existing conversations, develop contests, solicit feedback, provide entertainment, and make announcements.

While the two-way communication may not be as direct for these functional areas, they still must always be listening and seeking to engage in relationships. They do this by testing difference voices and messages (as mentioned earlier in this article in the meta-theory of optimization) to strike the correct tone for a real human conversation.

The “engage” function empowers the “measure” and “respond” functions, by generating activity to measure and interest that will invite response from your audience.

BOTTOM LINE

Social media has created a new world of opportunities for marketers, but many are exploring without a compass. You need a practical step-by-step method – or ROAD Map – for mapping an effective social marketing strategy. A step-by-step method allows you to determine your phase of social marketing maturity, determine effectiveness objectives for your social marketing programs, map out an action plan to attain those objectives, and then decide the best go-to-market sites and platforms to reach your audience.

On your way to creating your ROAD Map, be careful for two common potholes that many marketers encounter along the way – measurement and voice. As with any other business campaign you engage in, social media can be effectively measured – with some metrics that may be new to you, but some that are familiar as well. And social media has created an opportunity to engage in a conversation that has never existed before. But as with any conversation, this should be a two-way communication between the proper functional areas in your organization and your current and prospective customers.

Related Resources

Social Media Strategy Development – MarketingExperiments.com/ROITour

2010 Social Media Marketing Benchmark Report – SocialMEX2010.MarketingSherpa.com

Social Media Monitoring and Engagement – Radian6.com

Measure and Manage Social Media – ScoutLabs.com

Business Intelligence for Social Media – Sysomos.com

Blog Content Ad Platform – BuzzLogic.com

Social Media Monitoring, Analysis, and Engagement – VisibleTechnologies.com

Sergio Balegno is the Research Director of MarketingSherpa, a research firm publishing Case Studies, benchmark data, and how-to information read by hundreds of thousands of advertising, marketing, and PR professionals every week.

Corey Trent, Research Analyst

February 5, 2010

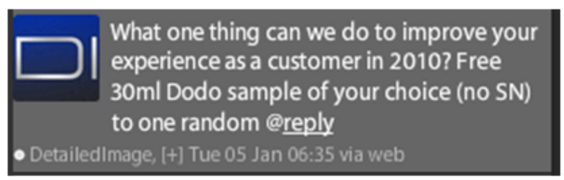
To Tweet or Not to Tweet: Social media is a great way to get customer feedback…just be wary for potential blowback

In my last blog post, I challenged you (and myself as well) to be more proactive in approaching customers for feedback. I recently found an excellent example on Twitter of an auto detailing supply company tying in the New Year with an offer to give feedback on things they can do better in the coming year.

Finding the right incentive

Notice they also offer a small incentive for providing feedback. However, it is important to note that the incentive is not a brand new car or a Neil Diamond Cruise Trip. It is just enough to pique the interest of followers, but probably not enough to cloud the feedback with nonsense in an effort for a chance at winning the car wax.

Social media caveat



When using social media channels for feedback, please understand the control you have with this medium. Remember that with the advent and popularity of social media channels you can receive a flood of real-time feedback from all over the globe.

But that feedback rolling in can be positive or negative. The negative feedback can now become very visible not only to your past customers but also prospective ones.

Now I say all of this not to dampen your enthusiasm for using emerging social media, but to have you consider what the outcome could be once you hit that update button on Twitter.

So consider questions like these… Did your company have a massive shipping issue this year? Was a bad batch of products sent out? Did you offend Ashton Kutcher in any way?

While the feedback you could gather is still very valuable, you might choose a more controllable channel to gather customer feedback if you have reason to believe some of that feedback may be negative.

Speaking of feedback, we want to hear from you. What is your favorite source of news and information in the advertising and marketing industry? Not a blog or magazine you just like…but something you really love enough to send a Valentine to on this upcoming (and well-marketed) holiday.

Email or share your feedback using social media and we'll publish our favorites in a future post right here on the blog.

Daniel Burstein, Editor

January 4, 2010

Social Media Marketing: Use data and metrics to transition from wallflower to life of the party

In middle school, I was fairly cerebral. OK, some would say nerdy. And while that mindset certainly paid off in the classroom, it didn't help much at the middle school dance. My younger self would have delighted at being able to read a book that held the secrets to being the life of the party. I even tried exploring my trusty encyclopedia set (remember those) for an answer.

I share the awkwardness of my formative years because I believe that when it comes to social media, most experienced marketers are little more than brace-faced thirteen-year-olds staring at Twitter and Facebook like a poster of New Kids on the Block – you know deep-down a perfect marriage exists but just don't know how to make it happen.

So I was delighted to hear that our sister company, MarketingSherpa, is close to releasing its second Social Media Marketing Benchmark Report. The subtitle, "Data and Insights for Mapping an Effective Social Marketing Strategy," highlights what has largely been missing from the social media discussion over the past few years – real substance.

By combating the ample hype with an ROI-based strategy, I hope this benchmark study can guide marketers in the transition from, as Senior Analyst Sergio Balegno puts it, "novice to competent practitioner capable of achieving social marketing objectives and proving ROI." And Sergio and his team hope to provide the guidance to get you there. As he says, "To make this leap, marketers will need benchmark data to help them better understand what works (and what doesn't) in social media marketing, and a practical method for mapping a strategy that will lead them to social marketing success."

MarketingSherpa let me have an early, pre-publication peak at their data and share one of my favorite insights with you on the blog today. The 2010 Social Media Marketing Benchmark Report has 188 charts and tables, and the one below really caught my eye…

The most effective tactic shown in the chart above – blogger relations – is used by far fewer organizations than less effective tactics primarily because of the effort required. At first glance, I thought the lesson from this chart is to start amping up blogger relations immediately.

But, as always with social media, hopping on the first thing one sees is the easy (and least effective) approach. And that's what this chart is really showing. Too often, marketers focus on fast and easy ways to make use of social media instead of leveraging the most effective ways. Since social media is essentially free, why bother if something requires too much effort? Of course, in reality, social media is not free. You must invest a significant amount of time to do it right.

According to the Benchmark Report, “This focus on ‘fast and easy’ versus effectiveness is a problem that is far more prevalent with organizations in the trial phase of social marketing maturity than with more advanced social marketers working from a strategic social marketing plan.”

You see, in the end the most profitable approach to this new medium isn’t so new after all. Be strategic. Twitter is a tactic, not a strategy. And the real perfect marriage occurs when you pair proven marketing principles from your overall plan with social media tactics that make sense in your overall strategy.

You probably intrinsically know that this is the right thing to do, but I hope this little reminder helps you stay focused on what really works for your company as you execute on your 2010 plan. As for marrying the cute one from New Kids on the Block…I’ve got no advice to help you there.

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Boris Grinkot, Senior Manager, Research and Strategy

March 24, 2010

Social Media Measurement: Are you getting value out of Twitter and its peers?

The topic of social media measurement is almost as hot as the topic of social media. With only a few years of consistent data, we still remain in the shadow of the econometric models of the olden days, built for measuring the outcomes of PR and branding efforts.

The novelty and uncertainty of the field certainly haven't stopped the burgeoning cottage industry of self-inaugurated gurus. This combination of ambiguity and hucksterism might scare off the ROI-driven marketer.

Now I am certainly not a social media marketing nay-sayer. Like most marketers, my gut tells me that there's great opportunity here. However, the scientist in me demands evidence. And in business, evidence is ultimately in the ROI.

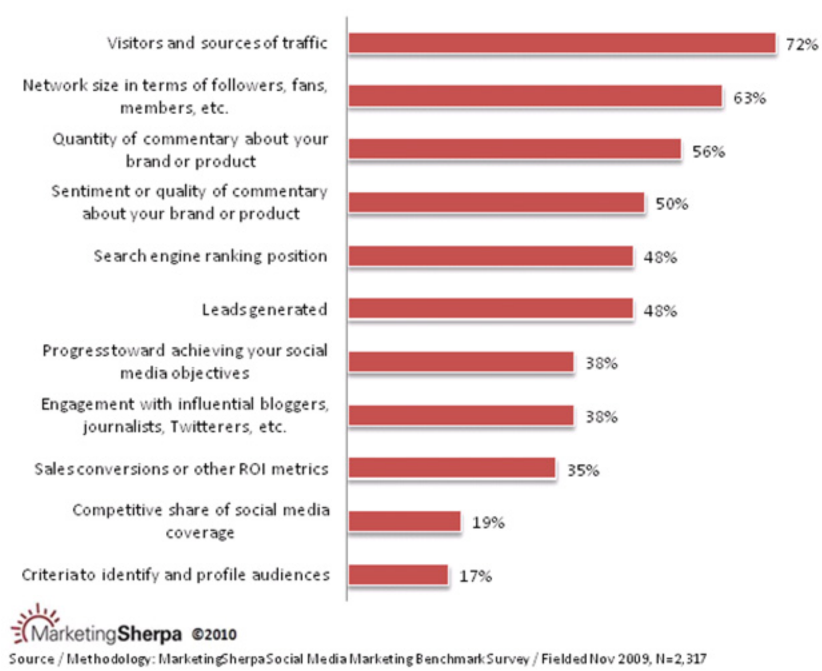
Do ROI and Social Media go together?

I was quite perplexed by one author's argument that while social media marketing creates *value*, it may not deliver an ROI. I will leave the debate about whether social media marketing should deliver an ROI in the first place to another time. Today, I wanted to turn to a small sliver of a large study that MarketingSherpa published earlier this year in its Social Media Benchmark Guide.

This chart displays how frequently various metrics are utilized by marketers as they attempt to quantify the effect of their social media efforts. My immediate impression was that there were broadly two types of metrics listed here:

1. the more traditional website analytics and bottom-line-related measurements and
2. buzzword-laden, social media-specific measurements with intuitive, but likely only anecdotal, relationships with outcomes.

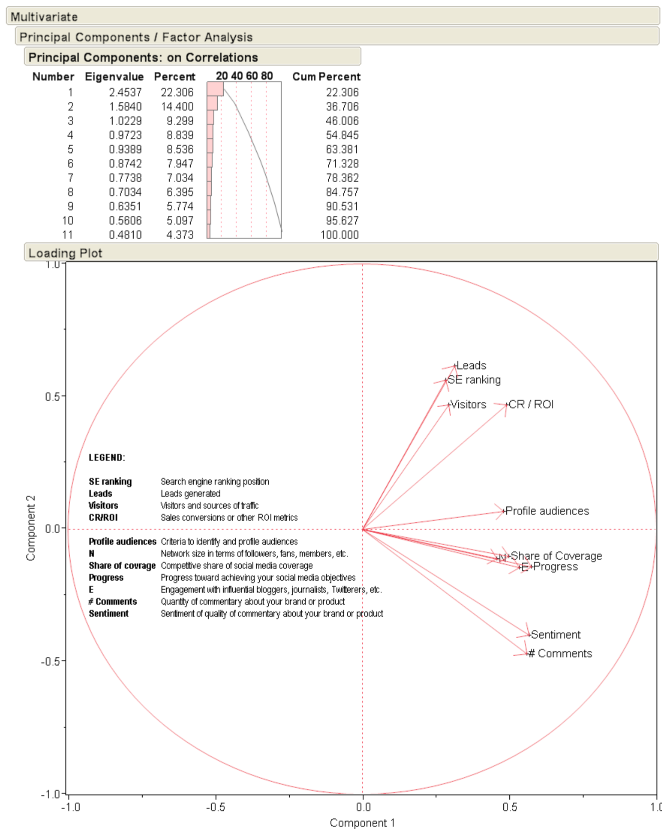
New Chart: Honing in on Target Audiences and Quantifying the Impact of Social Media



What this chart wasn't telling me was whether marketers were likely to mix these approaches, or were loyal to either one or the other. I enlisted MarketingExperiments' experienced research analyst and statistics guru, Arturo Silva, to help get a little deeper into the data.

What Marketers Tend to Do

Using principal component analysis, he was able to paint a different picture from the more flat utilization frequency account. Without getting into the technical details of the loading plot, what this diagram shows us is how likely each of the responses above are to be given in conjunction with one another. In other words, which activities these marketers are likely to measure together.



The vectors indeed bunched up quite nicely. Leads Generated, Search Engine Rankings, Visitors and Sources of Traffic, and Sales Conversions or Other ROI Metrics are grouped together toward the top (by the way, the exact direction of the vectors here is irrelevant—what's important is their confluence).

Network Size, Competitive Share of Coverage, Engagement with Influentials, and Progress toward Social Media Objectives also were tightly grouped. This means that if a marketer was measuring network size, she was also likely measuring the other three items I just listed, and was less likely to measure the first four.

ROI vs. non-ROI Metrics

Altogether, even though the non-ROI metrics are not all plotted next to each other, they stand in stark contrast to the more traditional and ROI-based ones. That is, marketers are typically looking at either one set or the other.

I am sure that a big part of the reason for this separation has to do with the tools that marketers use. Traditional analytics packages have little or no support for social media measurement, and conversely the new crop of social media management tools lack web analytics components and don't connect with transactional data. The converse may be true as well—marketers *choose* their tools based on their interest in either side of the story.

Measure what matters most

What concerned me was how poorly some of the metrics that I would consider critical for marketers, like Leads Generated (for B2B) and Sales Conversion (for everyone) compared with measurements like Network Size and Sentiment, which haven't *proven* to be predictors of bottom-line outcomes.

Paris Hilton may be considered a highly trusted influencer according to some unscrupulous Twitter data-crunching tools, but aren't her Twitter stats just a reflection of the pre-existing celebrity status? Twitter stats (and I am focusing on Twitter because its simplicity makes the new metrics easier to understand, not just because it's an easy target for pundits) are a measurement of reach, but not of impact. Content analysis tools can measure sentiment of comments, but not their effect on the business.

Intuitively we know that more reach means more impact, and nicer comments mean more satisfied customers (who will influence others). However, measuring the impact of each would require either taking a deep dive into the psyches of a large number of social media participants, or (more realistically) looking at how all the metrics, all the way down to resulting changes in revenues and expenses, fluctuate in response to the changes in the social media end (or rather, top) of the funnel.

Daniel Burstein, Editor

March 17, 2010

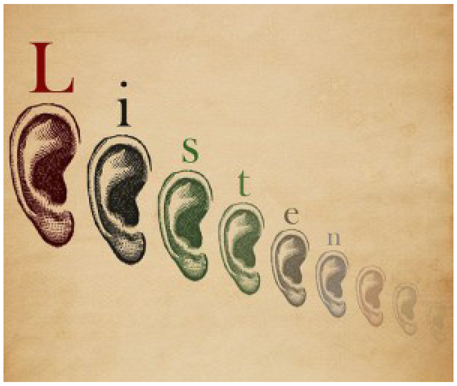
Antisocial Media: Social media marketing success does not lie in you

"...I can't deny the fact that you like me, right now, you like me!" – Sally Field

Social media just makes us all feel so darn good, doesn't it? I mean, look at me, my name and picture is right there in the upper left. Back in my advertising days, I had ads run in *The Wall Street Journal* and *USA Today*, but no one would ever know, since my name wasn't attached.

And I've got followers on Twitter. And LinkedIn. And...

Sorry, did I just become an egoblogger?



On second thought...don't look at me

This is why most social media marketing is so, well, outright bad. To go back to that study by Pear Analytics, 40% of tweets are "pointless babble."

In a discussion last week with Pamela Markey, our Director of Marketing, she came up with the perfect phrase to describe this phenomenon – antisocial media.

Social is defined as "relating to human society and its members." But, how many social media marketing practitioners are really relating to anything beyond what they are trying to promote?

Automatic for the people

To make matters worse, there are social media "experts" who sell products that offer to automate social media promotion and marketing.

One product I came across allows you to auto follow targeted Twitter profiles, rapidly increase niche Twitter followers, have unlimited Twitter profiles, automate direct messages, and, consequently, spend time on other tasks while the program works for you.

Feature rich but concept poor. This begs the question, what's the point? (And the second question, can any software automate blog writing so I can spend time on other tasks? Where is HemingwayBlogger v3.0)?

So, what is the point then?

The point of social media is to give the people what they want, which is not necessarily what you want to tell them. That's why social media marketing success does not lie in you, it lies in them.

Now I am not a social media marketing "expert" (which seems to be defined by having a five-figure following on Twitter), but there are certain discoveries we've made at MarketingExperiments that should logically work with these new platforms. Namely, the most important factor to conversion is motivation.

Let me take two real-world examples to show you what I mean.

Not only is Bill Gates richer than you, after only two months on Twitter, he already has more followers – 601,109. Then there's That Guy (name changed to protect his anonymity). We were first tipped off to That Guy by a comment on this blog. That Guy has 84,466 followers.

Both pretty impressive. Now let's look at another column on Twitter – "following." Bill Gates is following 44 people. That Guy – 91,349. So how do you think That Guy got so many followers? Not only did he auto follow his way to "expertise," he is trying to use that number of followers as a proof point for why you should buy his social media product.

Don't be That Guy

In stark contrast, how did Bill Gates get so many followers? People likely want to hear what he has to say.

Of course, if you're not a world-famous tech billionaire and philanthropist, people are likely less motivated to listen to you. But the same principle applies. Put yourself in your audience's shoes. What can you tell them through social media that they'll actually care about? How do they connect with your brand?

For example, I rarely tweet anything that's not marketing related, but for a free Pearl Jam song I gladly added my 140 characters to the Twitterverse. Pamela is happy when she receives a 30% off coupon from J. Crew. And at MarketingExperiments we try to create valuable, free content that helps you do your job better.

My point is, there is no one right answer for how to use social media to tap into your audience's motivations, but there *is* an answer for your brand.

And unless you tap into that motivation with your social media efforts, you're just wasting your most valuable resource – time – while stroking your own ego at the huge "following" you have.

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Boris Grinkot, Senior Manager, Research and Strategy

March 15, 2010

Please Be My Friend: Taking the first step beyond just being on Facebook

Afraid you'll be the last brand picked for the kickball team? Worried you'll throw a big party and no one will come? Sometimes it can feel like social media marketing is another trip through middle school.

The greatest social media challenge marketers say they face is getting their target audience to engage and participate. According to MarketingSherpa's 2010 Social Media Marketing Benchmark Report, 64% of marketers consider it a very important challenge to achieving social marketing objectives.

Translation: I'm a new kid in a new school and I'm worried no one will be my friend. So let's take a look at a few Facebook beginner ideas…

This post is unusually tactical for me. I am assuming you already have a social media objective and strategy. You know WHY you need Facebook fans, and you know what to do with them.

When all you have is a hammer, everything looks like a chance to send email

The knee-jerk digital marketing tactic is: hey, let's send a note to all of our friends.

Sending email to your list is easy, but it's another piece of spam that will get you unsubscribes. Just because you just embraced Facebook doesn't mean that they did as well.

Instead, make it a reasonably distinct part of your site and whatever regular email you are already sending out to an opted-in list. People that are already on Facebook will recognize it easily. Don't waste effort on trying to create new Facebook converts (unless your name is Mark Zuckerberg).

For a true friend, look a little deeper than your list

I would suggest deeper-reach strategies, starting from understanding your target audience and getting involved in related Facebook Groups. Through meaningful conversation, you can introduce them to your Page (or Group).

Facebook makes relevance fairly easy, if time consuming. Learning about both individuals and groups is naturally available through Facebook content. You can read wall posts, bios, etc.

This means dedicating some marketing or business development human resources to the project (the second biggest challenge according to MarketingSherpa, with 56% of marketers considering it very important). After all, relationships require time and effort.

Active, but measured and judicious participation with the objective of creating interest is what will net you a loyal following.

However, don't neglect the narrower tactics of contests, special coupons or exclusive deals for your Facebook fans. While these incentives will on average create a less loyal following, their net effect can be very positive.

Understand what Facebook functionality will naturally (and free of charge) carry your message

In social media in general (and on Facebook in particular), retention and new member generation are very tightly related. Every time someone comments in your Page, it is reflected in their wall and visible to their friends, who can then learn about the group and join (individuals may change their settings, but this is the default option and happens most of the time).

You should look to all Facebook features that trigger visibility in people's News Feeds. For example, creating events will push your Page into the News Feed of those that sign up for them. If you create a Facebook application, installing it (and some updates – wouldn't you want to be another Farmville!) will generate a visible News Feed post.

There are other more creative tactics (may or may not apply to your Page depending on the tone), where you can invite people to tag themselves in an image, say, of personality types, etc.

Good luck. And let me just remind you of your Mom's advice on the first day of middle school (assuming your Mom was a marketer). You're a likable brand, don't send out desperate notes for friends. Just go out there, be yourself, engage in the activities you love, and you'll be the most popular brand in school.

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SITE OPTIMIZATION

Austin McCraw, Content Production Manager

February 15, 2010

Shopping Cart Abandonment: How not being annoying can get you 67% more cart completions

This weekend I was paying for the 10 gallons I had just put into my old 1997 Honda Civic, when I decided that I'd purchase a nice cold soda for the road. I pointed out the pump where my fueled-up car was located and then slid the cold beverage to the convenience store clerk. He informed me that my total came to $25.89 and then *he stopped*.

Looking me dead in the eyes, he asked me what my name was. "Austin," I replied a little hesitantly. "Austin, are you sure you want to spend $25.89 for 10 gallons of gas and a cold soda?" he asked. I nodded and attempted to hand him my Visa credit card.

He denied my overture and informed me that he could only help me if I were a member of his store. So not wanting to cause a scene with the five people who were now behind me, I conceded.

Can I just buy a soda?

He asked for my name again, and then moved on to more personal information. He informed me that my phone number, home address, and email address were all required for membership, but then gave me the option of telling him my age, date of birth, marital status, and household income level.

I, of course, declined. After all the information had been gathered, the clerk then passed me about 60 pages of the legal terms which I needed to sign to become a member.

Finally he took my card. However, in the middle of processing it, another clerk approached me saying that he noticed I was purchasing a can of soda. The coworker then made some suggestions concerning what I might like to buy along with my soda based upon previous customer patterns.

Once I had assured his coworker that I just wanted a soda, the clerk then again reminded me that my total came to $25.89 and again stopped, looked me dead in the eyes and asked, "Austin, are you sure you want to spend $25.89 for 10 gallons of gas and a cold soda?"

This might be how customers see our shopping carts

Ok, so this story is a bit of a stretch for a convenience store, but is an accurate reenactment of the experience at many ecommerce sites. This is exactly what we see across the Web with shopping cart experiences everywhere. In fact, we recently ran a test with one of our Research Partners and here is what the original checkout process looked like:

1) Product page (click to purchase)

2) Cart page (confirm you are ready to order)

3) User account page (if you are new you must choose to create a new account)

4) Create a user account page #1 (enter name, email and account password)

5) Create a user account page #2 (enter shipping information)

6) Create a user account page #3 (enter payment information)

7) Order confirmation page (confirm order and account information again)

8) Receipt page

To go from the product page to the receipt page took eight different steps. A customer has to register before being able to place the order, as well as confirm that order twice. After reorganizing and removing unnecessary steps, we were able to optimize this process to a single basic step. The increase in order completions was over 68%.

Is your shopping cart trying to do too much?

What this experiment illustrates is something we see over and over in the shopping cart process. Most shopping carts that companies use are bulky and have more features than needed (i.e. cart registration, order confirmations, cross-promotional offerings, etc.). Sometimes this means a shopping cart looks less like a basic transaction facilitator, and more like a boot camp obstacle training course with high walls and flaming hoops.

For instance, how many times have you had to join a web site before actually buying a product? How many “if you like this product, you might like this product” offers have you endured while checking out? Have you ever counted how many times you actually have to confirm your order before it goes through?

None of these features are bad per se, and some might even be helpful in the overall customer-client relationship. The only problem is when they get in the way of the natural thought sequence of a customer looking to purchase something at a specific moment in time.

Please, just let me out of here!

If I come to a web site, place an order in my cart, and hit “check out,” then please just let me check out. We must make sure our cart processes is sticking to the main objective – namely, closing the sale.

All these customer retention features and cross-promotional options can be strategically accomplished after the initial sale has already been completed. For instance, you can ask for the customer to create an account for future purchases or send them to a thank-you page that has cross-promotional offers.

Overall, this experiment leaves us with one key question: How many people might we be losing in the process by interrupting their order process? For this company, simplifying the checkout process meant 68% more orders. What is your potential?

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Daniel Burstein, Editor

February 8, 2010

C'est un Blog: Why appealing to an international audience is no joke

When we asked for your 2010 Internet marketing predictions, you told us that local is going to be huge this year. And I wholeheartedly agree. I can't wait for the day I can simply search for a product on one site and find the best price of an in-stock item at a small business or major chain store near me.

But in our fervor for the new opportunities cropping up at a micro level in our own hometown, let's not overlook the macro possibilities. So today I'd like to take our focus off of local and discuss, well, the entire world.

After all, you are reading the *MarketingExperiments Blog International Edition*. Sounds fancy, and I loved seeing the International Edition of American publications when I was in Montréal (*très chic!*). But, of course, everything on the Internet is essentially an International Edition. After all, our readers include Stephanie from Canada, Meraj from Singapore, Inna from Germany, Gabriela from Argentina, and Gavin from the UK.

How well do you know your audience? For Americans at least, sometimes I worry we have a view of the world similar to Saul Steinberg's famous cover for *The New Yorker*. But let's not forget that this is the *World* Wide Web. Your customers are, or at least have the potential to come from, anywhere in the world.

So here are some thoughts to consider and ideas to test when appealing to an international audience:

Where in the world?

Now that the world is your oyster, where should you begin? Most analytics software, such as Google Analytics, will break down your traffic by country of origin (and drill down even deeper than that). Understanding where your current audience comes from can help you shape your message.

But don't just limit yourself to where your audience is coming from today, consider where they could be coming from and think about how you can target content to that potential audience. In addition, if you have an ecommerce or even lead generation site, look at how your traffic compares to actual orders and leads. If you get a big chunk of traffic from a certain nation, yet they very rarely order or become a lead, what in your conversion process is stopping them?

Understand when it pays to *habla Español*

While you don't necessarily need an entire website for every possible language, it is always a good idea to delve into proper segmentation of your current and possible audience. And if you find a big enough potential market, that commonality of language may significantly help your conversion rate.

You don't even necessarily need to look beyond your borders to find that opportunity. For example, according to the U.S. Census, the buying power of Americans of Hispanic origin is projected to exceed $1.2 trillion by 2014. If that segment could generate a significant amount of business for you, you should probably consider testing custom Spanish-language landing pages to see if they are worth the investment.

***Shalom* means hello…and goodbye**

If you do choose to test custom foreign-language pages, keep the word *custom* in mind. Don't just settle for poor translations of your current pages, but truly put the time and investment into understanding that segment and its motivations…as you would with any other segment.

Marketing history is littered with funny (and costly) cross-cultural blunders – such as the introduction of the Chevy Nova in Central and South America. It doesn't take a major blunder. Even simple bad translations can turn away potential customers. I probably would not shop in the "Exciting Dressy Fashion zone" or want to eat "Desktop bacteria rice."

It's easy to laugh at these snafus, but if we do not truly understand the cultures of global and bilingual markets we seek to enter, we may be making these same mistakes. We can't be transparent marketers if our audience doesn't understand what we're talking about. And far from welcoming new customers, we may be turning them off to our message.

You can still *spreek het* English…

While custom foreign-language landing pages are worth testing if the segmentation is right for your organization, don't feel like you necessarily need to invest resources to customize your site for every possible language. As French is *la langue de l'amour*, English is currently the international language of business and the Web (after all, ICANN is still an American organization).

Also, services like Google Translate and Babel Fish enable your non-English-speaking visitors to instantly translate your page into almost any language for free. So here are a few other ideas to test in your native language…

***Ciao bello* world!**

As I said above, there is an entire world out there. Just make a right at the Atlantic or a left at the Pacific and you'll likely find untapped markets. So acknowledge it…as I did in the intro to this post when I mentioned our readers from across the globe or as Boris Grinkot did in a recent post where he simply mentioned regulations to consider in India.

The first step to profiting from an international audience is recognizing that you have one. Test how often to mention different cultures and which cultures to mention and see how that affects your traffic.

6,809 ways to say "customer service"

Even better than acknowledging the existence of other cultures, show them that you truly cater to their needs. If you're looking for some good examples, Israeli websites tend cater to a global audience well (a combination of state subsidies that makes international shipping cheap and the global interest of a nation that holds importance to three major religions).

One good example from that country is TheGreatShofar.com. This site clearly illustrates how it serves other parts of the world by, for example, having an American phone number and a testimonial from someone in America right on its homepage (leading us to believe that either America is one of its most important, sought after segments or this is a landing page optimized for Americans).

Also, the site clearly spells out in its FAQ that it ships around the world:

I live in Timbuktu. Will you ship to me?

Yes. We ship to Timbuktu as well as Australia, New Zealand, South Africa, China and pretty much anywhere that has a postal service.

To find out how much it will cost to ship to your location, just add your desired products to the shopping cart and our shipping estimator will display your shipping costs.

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Boris Grinkot, Senior Manager, Research and Strategy

January 28, 2010

Do call us, we won't call you: How to decide whether to emphasize your phone number

You get home from a long day in your marketing department or agency. Whip up a quick dinner. And just when you're about to bite into your arroz con pollo, you hear that dreaded ring.

I call this situation Dan's Lament. Our associate editor, Daniel Burstein, was sounding off to me about this situation earlier today. For some reason, at least in his household, they only get one type of phone call around 7pm and that, of course, is the dreaded telemarketer.

Now telemarketing is illegal at some level in the United States, as it is in many other countries, and Dan is on the National Do Not Call Registry. Yet there are those loopholes that ensure his phone still rings at dinnertime. In the latest case, the U.S. Fish and Wildlife Service wanted to discuss his fishing habits.

Surveys. Non-profits. Or my personal favorite…political push polls. They all have found a loophole.

The more you segment, the less you blindly dial for dollars

I've really grown to hate telemarketers. Not so much because they prevent foodie friends of mine like Dan from enjoying a good winter vegetable salad with fresh, in-season kale, but rather as a professional marketer.

The technology and science behind segmentation have helped marketers target their message so much better than before, so I feel professionally insulted that someone would think they can, precisely at the dreaded 7pm, offer sandwich-toting Dan something he didn't already think about buying in a store or online.

So I am a fan of do-not-call registries…even if they are only marginally effective.

Now I know what many of you may be thinking. "Wait a minute, Boris, I don't mean to interrupt Dan's enjoyment of a hearty winter vegetable salad or pastrami on rye, but these lists are a major challenge for me…I need to leverage the human touch for an upsell or to nurture a complex sale."

The reality is that cultural and corresponding regulatory changes have led to a certain shift in the utilization of call centers, from making to taking calls. It's not bad news. It's great news for you savvy marketers that have the resources to leverage a call center, if you know how to do it profitably.

Is automation right for you?

If you are a Web marketer reading this, you might be asking yourself "what does this have to do with me?" However, looking at marketing holistically may be precisely where you can maximize return on your marketing dollars, as the automation afforded by the digital medium is not a one-size-fits-all solution to all sales processes.

Yes, it's cheaper to sell online. Yet you may be doing a better job of selling and cross-selling over the phone, even though it costs you more. The question is where the higher net profit lies.

As the resident KPI (that's key performance indicator) Guy at MarketingExperiments, among other things, I want to reintroduce you to a KPI that is critical to inbound marketing. It is the same KPI what would have been applied to a telemarketing campaign just a few short years ago: cost per acquisition (CPA).

The obvious use of this metric is to understand how much you can afford to spend on a media buy. You may be more familiar with this metric in the demand generation realms (paid search, affiliate marketing, lead gen, etc.). However, in conjunction with a bottom-line metric, such as revenue (preferably, lifetime) per visitor (RPV), it can also provide you with critical insights for directing your marketing efforts and formulating your messaging.

Even though your site can now do many things that have replaced telemarketing – from further qualifying a lead to completing an order to even getting that upsell – don't let technology guide your decisions. Depending on the nature of your product, the human touch can be so much more effective for any or all of these steps.

So the best thing to do is… wait for it… test!

By varying the emphasis you place on calls to action that lead to a human interaction (phone number, live chat, call-me form), both in the layout of your pages (location, graphical weighting) and their prominence in the order process (from focusing the option as the primary action to not even mentioning it).

Experimenting with live chat is its own subject, as you can test how quickly (if at all) you want to turn the online chat into a phone conversation. You might even test a click-to-call button, although be wary of spam (and if you market in India, strict regulations).

What you're trying to discover is whether the increased cost of acquiring a customer is offset or surpassed by an increase in closed orders, upsells, or higher-quality leads (e.g., for a complex sale, how does the increase in calls help your lead management efforts).

In other words, you will need to compare the change in CPA to the change in RPV (and depending on the nature of your business, both may need to be adjusted for the customer's projected lifetime cost and value).

You have to be careful with how you juggle the numbers, as there are many potential pitfalls. Remember that your ultimate goal is increased profits. Depending on your business plan, your primary or close secondary goal is likely increased profits in the foreseeable future or over the customer's lifetime. If adding human interaction results in sufficiently higher revenue per website visitor, it may be worth the extra cost.

But you'll only know if you test. And use the right KPI.

How do you use inbound marketing, telesales, and customer service? What KPIs do you use to measure your success? Share your triumphs and ideas in the comments section of this post or start a conversation with your peers in the MarketingExperiments Optimization group.

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Adam Lapp, Research Analyst

February 1, 2010

Conversion Diagnosis: Ideas for improving on a 258% conversion rate increase

Editor's Note: Troy O'Bryan and his team at Response Capture drove a 258% conversion rate increase for their client through two rounds of testing and optimizing a landing page. Yet when I interviewed Troy to write his team's success story, he made clear that they weren't content with their achievement. They're constantly considering optimization ideas for a new test.

So I crept into the lab, distracted Dr. Optimize (a.k.a. Adam Lapp) from his current experimentation, and convinced him to apply his complex genius to this page. Here's what he had to say…

It's great to hear a fellow marketer realize the power of testing. Congratulations Troy! Without testing, how will you ever know if your landing page or website is performing the best that it could?

Never stop testing

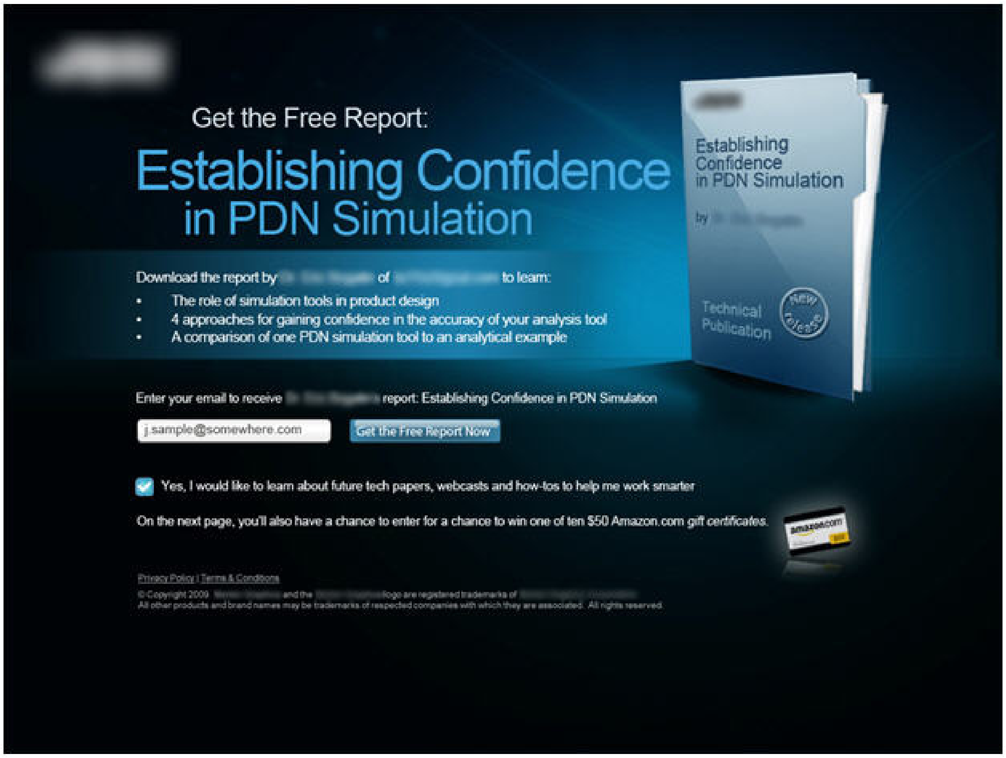
Let's all take a lesson from Amazon.com. No matter how much money or market share Amazon creates, they have never stopped testing. They are constantly proving and disproving new ideas and concepts. I have no doubt they have eliminated thousands of page designs that did not work. But that's indicative of a true testing culture.

If we compare the laboratories of our online marketing colleagues to that of scientists finding cures to common ailments, there are many similarities. How many concoctions do you think doctors will rule out before they find the cure to baldness? I'm sure that number will dwarf the number of landing pages the average marketer will rule out before they find the one that works the best.

That's the number one optimization recommendation I can give to anyone…keep on testing. And I'm glad to see the team at Response Capture working (and succeeding) by following that creed.

What to test next

Of course, it's one thing to know the importance of continuous testing. Sometimes, the biggest challenge is deciding what to test next. Let's take a look at the successful landing page:



My advice is two-fold:

1. Test several more radical redesigns

Then when you think you have a design that can't be beat by other new treatments…

2. Begin fine tuning (multivariate tests work really well for this)

Radical Test Ideas

The current page does a lot of things right, but there is still room for improvement. The first thing I would test would be the tone.

Currently the look and feel of the page can only be described as "slick." You look at and say "Wow!" It's dark and sleek. The bright blue pops out at you. And the overall feels is that this page has been designed by a professional design firm with a very high proficiency with Photoshop.

As great as it is, is this the best tone to go with? At MarketingExperiments, we've spoken about the concept that "Ugly converts." That concept really doesn't necessarily mean that ugly pages perform better than pretty pages. Rather, we want to remind you that strategy is more important than design.

So what different tones can Response Capture test? Here are a few ideas:

TEST IDEA #1: Simple, plain layout

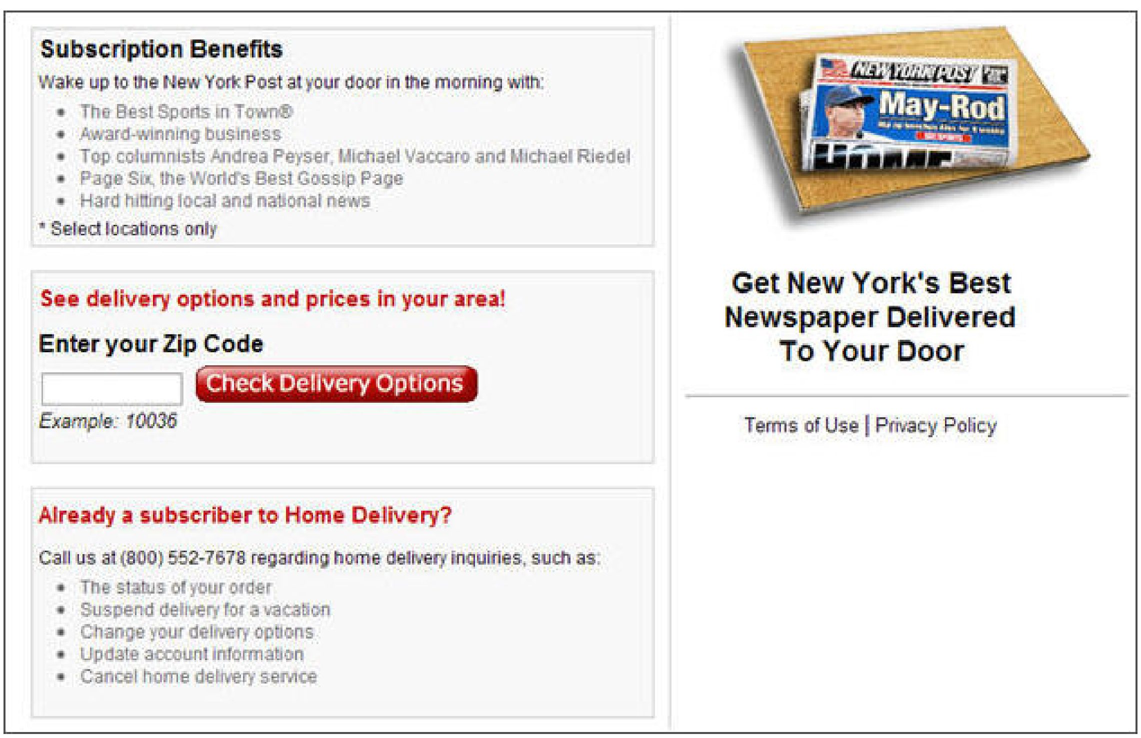
This page does not have a complex objective – just enter your email to receive a free whitepaper. Assuming most visitors are very qualified (i.e. they know what a PDN is and are your ideal customer), you don't really have to do much selling.

We see a common mistake across many industries where a landing page is composed of elements that just over-complicate the objective.

For example, if you only want to know if a newspaper is delivered in your area, then your landing page only needs a headline, ZIP Code field, and button. Bulky copy, testimonials, demos, videos, images, and other fancy page elements are just not necessary.

The Washington Post is an excellent example of a simple ZIP Code entry:

Compare this to the *New York Post*:



I just want to find out if you deliver to my area. I don't need to know about the top columnist or the Page Six gossip section.

This applies for companies that provide free quotes for insurance or a similar service. A visitor just wants to enter a few pieces of information and see a number. Putting layers of clutter in their way just creates friction.

To summarize, I would test a page that has the following:

- A non-descript background
- Simple headline: "Download your free report on PDN Simulation"
- Sub-headline: "Tell us where to send the report"
- Email field
- Button

Just make it as simple as possible.

TEST IDEA #2: Report style

So if someone clicks through, we know we have their interest. They are ready to read about PDN Simulation (must be a page turner!). Then give them what they want right away.

Upon landing, visitors could see a page that looks like a report. Here's one I found quickly from Google Research:

A Biomimetic, 4.5 μW, 120+dB, Log-domain Cochlea Channel with AGC

Abstract

This paper deals with the design and performance evaluation of a new analog CMOS cochlea channel of increased biorealism. The design implements a recently proposed transfer function, namely the One-Zero Gammatone filter (or OZGF), which provides a robust foundation for modeling a variety of auditory data such as realistic passband asymmetry, linear low-frequency tail and level-dependent gain. Moreover, the OZGF is attractive because it can be implemented efficiently in any technological medium-analog or digital-using standard building blocks. The channel was synthesized using novel, low-power, class-AB, log-domain, biquadratic filters employing MOS transistors operating in their weak inversion regime. Furthermore, the paper details the design of a new low-power automatic gain control circuit that adapts the gain of the channel according to the input signal strength, thereby extending significantly its input dynamic range. We evaluate the performance of a fourth-order OZGF channel (equivalent to an 8th-order cascaded filter structure) through both detailed simulations and measurements from a fabricated chip using the commercially available 0.35 mum AMS CMOS process. The whole system is tuned at 3 kHz, dissipates a mere 4.46 μW of static power, accommodates 124 dB (at < 5% THD) of input dynamic range at the center frequency and is set to provide up to 70 dB of amplification for small signals.

They clicked through with the expectation of seeing a report, and that's what you have given them with this treatment. Get them engaged right away. Provide an abstract or first couple of paragraphs, then place a call to action to "download the full report."

Just make sure that you clearly communicate that the whitepaper is free because this treatment strategy communicates much more value than the others. The report style has more of a high-brow, university type of tone – which isn't always free. It may work or it may not, but the idea is to test.

Those two test ideas should give you a good start, but if you can think of more, test them and let us know how they work out.

Fine Tuning Ideas

Once you've found a primary strategy that works, then it's time to fine tune. Nothing is off limits here. Let's assume that the current design has stood the test of time…it has defeated several other radical redesigns you have thrown at it. What do you test?

1. Headline

- Test variations that quantify what's in the report
- Create urgency (i.e. "available for a limited time" or "you have to know this now")
- Think of several benefits from reading the report, then test each one in the headline
- Pull out several one-liners from the report that announce an exciting finding
- Test a few provocative questions

2. Rotate bullets and add new bullets

3. Choose three or four different images to test

- Other images of the report
- Photographs of people that may connect with the target audience
- Charts and graphs
- Other items related to PDN (I have to admit, I'm not your target customer so I'm not quite sure what they would be)

4. Button copy – it's pretty good now, but you could definitely stumble upon something better

5. Color scheme

- Test several different background/font combinations
- Will a light background with dark font work better?

6. Placement of gift card incentive

- In the headline
- As one of the main bullets
- Before the button
- To the right of the button

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