

Special Report

What to test (and how) to increase your ROI today



A well-designed test can produce an impressive return on investment. Of course, you may face several obstacles to producing that well-designed test to begin with. This report covers four common obstacles many marketers face with experimental design and implementation and how to overcome them:

- Time
- Mixed Channels
- Organizational Alignment
- IT

OBSTACLE #1: NOT ENOUGH TIME

Most marketers have very limited time to test, especially around holidays or seasonal promotions. [Editor's note: For holiday-related optimization strategies, please see <u>Ecommerce Optimization: A holiday playbook for procrastinators</u>.]

Whatever the reason you're facing a time crunch – an urgent marketing campaign, new product launch, new channels of traffic – you can often get around those issues by focusing your test efforts on areas that will have the greatest immediate impact, such as:

- Headline and CTA (call to action) vs. testimonials
- Forms and steps vs. navigation
- Price of the products vs. product images

When you don't have time for a series of single-factorial tests, use strategic "radical redesigns." As the term suggests, several changes are made to a page at the same time, such as headline, layout, body copy, call to action, and so on.

The following screenshots from NetDetective are an example of a radical redesign testing approach, where many of the page elements were altered on the treatment page, and those pages were tested against each other.







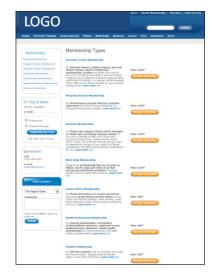
The radical redesign approach to testing is somewhat unconventional, and warrants more explanation than this brief can cover, but we can address some of the basics by looking at a recent experiment that used this approach.

Experiment #1

This research partner provides educational resources for health and fitness professionals that subscribe to one of its online memberships. (Logos and identifying marks have been concealed.)

The goal of this test was to increase the number of membership signups. So our primary focus was to create the landing page with the highest clickthrough rate. Of course, we also monitored the conversion rate to see how everything worked through the entire funnel.

Control:







The control landing page offered seven membership options. There are many small changes that we could have tested: removing navigation, strengthening headlines, reordering products, or creating different calls to action.

However, due to traffic constraints and the need to produce significant results quickly, we combined several best practices and tested two radical redesign treatments aimed at reducing the amount of steps in the sales funnel. An A/B/C split test was conducted to see which iteration performed best.

Treatment #1:



This "matrix-style" redesign removed navigation, used a stronger headline, and added five key bullet points and a features chart for a clearer description of what the membership levels include.



Treatment #2:



By radically redesigning this page, we were able to obtain significant results within a short period of time.

This "configurator" redesign provides the same strengthened headline, five key bullet points, and removed navigation as the previous treatment. However, there is a radically different way the membership information is displayed. A drop-down box and expanding page give the visitors the choice of information they want to see.

Results:

Subscription path	CTR	Relative diff v. control
Control	16.54%	-
Redesign#1	30.00%	81.36%
Redesign #2	17.87%	8.03%

What you need to understand: The radical redesign outperformed the control within 11 days with an 81% increase in clickthrough rates. By radically redesigning this page, we were able to obtain significant results within a short period of time. Then we could begin to refine through single factorial tests.



Radical redesign caveats

As with any drastic action, there are trade-offs you should consider with a radical redesign testing approach.

For example, the sweeping nature of the tests means you will not get much information at a granular level. While radical redesigns can be very effective in gaining results quickly, the results can be difficult to interpret. It is hard to determine how each specific change (e.g., headline, layout) is affecting the outcome. Interpret your radical redesign test results with the understanding that variables interact.

Also, return visitors may be frustrated by unexpected major changes. Consider the effect that a radical page redesign might have on returning customers, such as a higher bounce rate. You might want to limit the test to new visitors or visitors with no purchase history, or otherwise ensure that the redesign is clearly "explained" to the returning customer.

OBSTACLE #2: MIXED CHANNELS

There is no such thing as an aggregate conversion rate. Visitors that arrive at your pages via different channels also tend to behave differently. So we typically recommend that you test by channel. But testing by channel can stretch your design and technology resources. The more channels you have, the more you will be stretched.

To maximize the resources you do have, focus on your most important channels by segmenting your analytics to monitor visitor types (also called channel mapping).

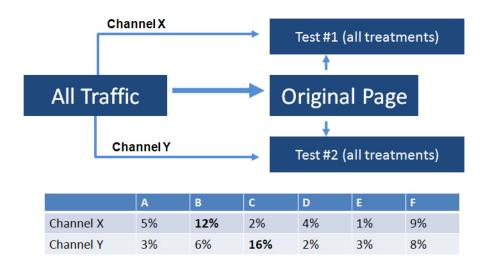
Visitor Segment	Views	CTR	CR	Revenue
Pay-per-click	569	15.2%	5.2%	\$1,456
Organic Search	123	14.3%	4.6%	\$657
Christmas Email Send	51	20.0%	8.1%	\$756
First-time visitor	1,098	3.5%	1.2%	\$547
Returning visitor	346	26.7%	8.4%	\$1,987
Aggregate	2,217	15.9%	5.5%	\$5,403



By segmenting analytics you can see which channels are having the biggest impact, and start building specific landing pages accordingly.

Optimizing channels that already have a high conversation rate can provide the best bang for your buck. Don't expect to see a huge difference in conversion rate, but even a minimal increase in these channels can provide a significant boost to your bottom line.

If analytics are limited or too cumbersome, develop separate paths to test different types of traffic. The following example shows how you might structure a test this way:



Optimizing channels that already have a high conversation rate can provide the best bang for your buck.

By physically separating the pages (with separate URLs) and then running two separate tests, we are able to identify different winners for different types of traffic. The next experiment shows how to zoom in to individual channels to better understand their unique behavior.

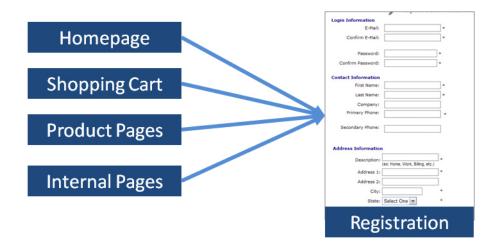
Experiment #2

This website sells retail and wholesale collector items. The research partner wanted to increase visitor registration, so we focused on creating a registration page with the highest conversion rate.



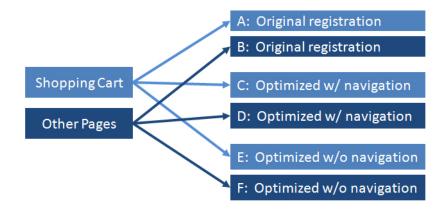
Background

An account registration link is featured throughout the website. So, the traffic to the current registration page arrives from all different sources from within the website – creating different channels that may have different motivations. To understand which optimization worked best, we also had to understand how different channels behaved.



Test design

We created two optimized treatment pages to test against the control using an A/B/C split test. But we also wanted to test the difference between the traffic that comes to the registration page from the shopping cart and the traffic that originates from other pages, so we duplicated the control and test pages and set up unique URLs to which we sent the different types of traffic.





Results:

Treatments	Cart Reg. Rate	Relative Diff v. Control	Other Reg. Rate	Relative Diff v. Control
Original Registration	78.66%	-	48.14%	-
Optimized w/ navigation	80.12%	1.85%	54.94%	14.12%
Optimized w/o navigation	80.81%	2.73%	51.82%	7.64%

What you need to understand: One optimized treatment outperformed the control by 14%. By splitting traffic in this way, we were able to get a better sense of the motivating factors at play for different sources of traffic without major analytic computations. Traffic coming from the shopping cart was significantly more motivated to complete the registration, probably because it was deeper into the purchase decision.

But we also significantly increased the registration of traffic coming from other pages. This tells us we need to better incentivize this traffic to complete the registration. Now, we can use this information to guide future tests.

OBSTACLE #3: ORGANIZATIONAL ALIGNMENT

Even if you have the time and resources to test every imaginable channel, you can't get started until you agree on a test plan. Sometimes you must prioritize between different departments or competing objectives. For example, what if you want to test an offer that is counter to the branding strategy?

Start by addressing two questions that may seem obvious:

- What is the primary objective?
- What is the most effective way to accomplish the primary objective?





While these questions may seem simple, we often find that the answers are not readily available. With those answers, you can address differences among test sequence, page objective, and page design. Start by taking a look at your priorities.

Test priorities

How would you resolve test sequence differences such as:

- Do we test the homepage or the shopping cart?
- Which channel of traffic are we most concerned about?
- How long should we focus on this page?

Study analytics to determine which testing effort will have the greatest impact and ROI. Let's say there is a web analyst under a marketing manager. The marketing manager really wants to focus on the homepage to optimize, but the web analyst is leaning towards PPC landing pages.

After taking a dive into the Google Analytics, they discover that PPC pages actually see more traffic than the homepage. Therefore, in looking at segmentations, PPC pages are actually more important to conversion than the homepage.

Once you have your overall priorities set, you have to decide on objectives for the individual pages.

Page objectives

How would you resolve <u>page objective differences</u> such as:

- Do we focus on the free trial or paid offer?
- Do we go for the most leads or the best leads?
- Which product do we feature first, second, and third?

Sequence pages and use differently weighted graphics to prioritize competing objectives and draw audiences' attention to what is most important. One way to decide what is most important is to track how much revenue each click on a page generates.





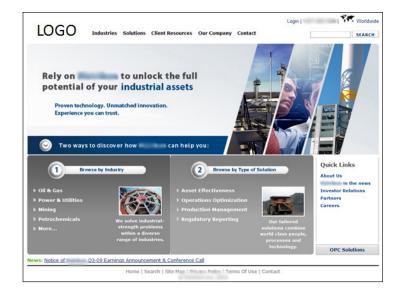
Example: Page sequencing

In this example, we split the objectives (lead volume vs. lead quality) into two different pages and sequenced them. The first page asks for minimal information (name, address, email) to generate the most leads, while the second page asks for additional information to qualify these leads. Since quantity was more important in this example, we sequenced the page that asks for minimal information first.





Example: Graphical weighting





This site is attempting to connect with new users at the same time it gives current clients access to their resources. This is a common challenge.

In this example, new users were more important since they generated a greater amount of the traffic. Heavy weighted graphics (size, shape and color) immediately appeal to new users by offering "Two ways to discover," while lighter weighted graphics are used to guide current clients. Returning visitors already know what they're looking for so we don't need to give them nearly as much guidance.

Some sites try to emphasize 10 different objectives, which is not possible to do well. You can emphasize one or two objectives. That is why it is vitally important to understand your priorities in terms of revenue generated from different clicks. This will have a major effect on your page design as well.

Page designs

How would you resolve <u>page-design differences</u> such as:

- Which colors should we use?
- Should we use a Flash- or HTML-based site?
- Which product images and testimonials should we use?

Focus on agreement on bottom-line objectives as stated previously (e.g., "need higher cart conversion") and then resolve design disagreements through testing. There are no hard and fast rules that work in all situations, you just have to test. Through testing you may also find that different designs work better for different channels.

OBSTACLE #4: IT

Whether your IT resources are limited by staff size or competing priorities, IT support tends to be a sore subject for many marketers. But there are a few tactics that will help you in the never-ending battle between marketing and IT.





If possible, test within your Content Management Systems (CMS) without breaking templates. For example, you may be able to insert the testing software Java script into your CMS without IT help. And many tests do not require breaking your HTML code and can be done within your CMS, like a headline test. For layout tests that do require IT help, take a look at previous web clinics for results that can help build your case for assistance.

Break up complicated tests into simpler ones. For instance, redesign a key step in the shopping cart instead of redesigning the entire cart process. With single factorial tests, you can incrementally build up impressive results over time. If you look over some of our previous case studies, many times we have achieved hundreds and thousands of percent increases incrementally. Not only will this require less help from IT, it gives you the opportunity to build a proof of concept to win more resources.

Start with areas within your control, such as Google Analytics/ Optimizer, SEO, and PPC. If you have a complicated CMS, perhaps you can set up simple pages outside of this environment that do not require IT – like testing the value proposition in a PPC ad instead of in body copy. In this scenario, you wouldn't have to create any pages at all; just set up a few advertisements.

Do research ahead of time (ROI and options) and bring numbers to the table that back up your desired tests. As mentioned earlier, quantify the value of the actions on your pages. Using this information, you can show how increases in conversion rates directly increase revenue. You can also use a simple single-factorial test to show the possibilities of further testing.

There are no hard and fast rules that work in all situations, you just have to test.



Bottom Line

If you face a major time crunch, consider a radical redesign. If you can't test every channel, focus on your high performers. When you're having trouble aligning your organization on a test plan, drill down into your true priorities and consider how they can be measured. And don't let a real or perceived lack of IT resources stop you from starting small and winning the rest of the organization over with results.

For hundreds of free test ideas and case studies, and information about our Fundamentals of Testing training and certification course, visit: MarketingExperiments.com.

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