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Multi-Channel Testing

USING THE WEB TO MAKE YOUR TESTING DOLLARS GO FURTHER

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From our days as neophyte direct response marketers, most have heard the mantra: “Test, test, test. And when you’ve done that, test some more.” The reality is there’s no substitute for well-planned and carefully executed testing to move your brand’s direct results to the next level.

The complications of multi-channel marketing add to the complexity of marketing programs and as a result, testing plans. But complexity is a two-edged sword. The web offers significant opportunities as well. Everything on the internet happens quickly. The pace of planning and executing a direct mail campaign is equivalent to the stone age compared to doing the same with email, search marketing or your web site. In addition, the internet offers significantly lower testing expense – without major production costs to incur.

So why not take advantage of the benefits available online to inform and improve your entire direct response program? By integrating your testing program into a cohesive multi-channel plan you can do exactly that and maximize the learning gained from testing dollars.

Note that I’m suggesting a multi-channel testing program; I’m not suggesting you abandon direct mail or other offline testing and do all your testing on the web. Just like having a multi-racial society doesn’t mean we are all one race but that we learn and benefit from each other’s cultures, a multi-channel testing program means we learn from one channel to the next, but still remember what is unique about each individual channel or medium.

So how do you maximize those benefits? The web is particular adept at getting answers fast, inexpensively. What it often isn’t good at is targeting specific prospect niches. You don’t control who arrives at your web site, and email is primarily aimed at customers with few prospect lists available, so neither provides good access to test prospect reaction specifically.

Paid search marketing targets prospects, but keywords aren’t segment niches, and if you need to determine if the nurses who comprise 50% of your audience will respond to the lower or higher price for an item, it can be challenging to identify key words that attract only nurses interested in your products. In other words, if you need to test a concept or price to a specific prospect audience, the web isn’t the best place to do it. On the other hand, if you want to get a quick read on which benefit to push in a headline, or which price gets greater responses, (regardless of prospect or customer status), or you want to focus testing solely on customers, the web is an ideal place to start your testing process and improve overall testing efficiency.

The most effective use of web testing applicable to off-line mediums can be to gather preliminary information and cut testing options down to a more manageable number, in order to structure appropriate statistically valid offline tests. In other words, reduce the number of test



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possibilities via the web, allowing you to do highly significant offline tests. Ultimately this means results gleaned from offline tests will also be gathered faster and with less expense because you will be testing fewer options offline.

Testing of copy is ongoing (or should be) for anyone participating in paid search marketing. Instead of treating those learnings as solely beneficial to future paid search campaigns, structure your paid search tests methodically to gather data on which key words, benefits, copy approaches and combinations there of draw the most clicks and sales conversions. If there is a clear consistent winner, use that copy approach and specific words and benefits to craft the headline for your space ad or the teaser for your direct mail envelope. If you have more than one winner, the 2 top performers now become ideal A and B tests for your next mailing package or insert.

One of the best uses of the internet is to pre-test price/offer variations. There are times when you have a bevy of price and offer combinations to consider: 3 or 4 installment payments, 3 different price points and whether to offer 1 or 2 bonus gifts. In these circumstances the internet is ideal for preliminary testing. In email or on a web landing-page from search marketing, test an alternating round of the various offers you are considering. Once you see a trend towards 2-3 offer options gathering the most response and sales conversions, test these top 2-3 winners offline to validate the results in the more statistically reliable medium of direct mail.

The web and email are also effective for testing to gain insights in merchandising and product selection. Susan Bates, a senior merchandising consultant advises some key areas to improve the effectiveness of your product selections in off-line mediums:

1. Not sure which of 3-4 different new product ideas is the strongest? Purchase a small quantity of each and offer all of them on your web site's home page or via an email to gauge feedback and interest. The favorite could then be selected for the direct mail package, space ad, package insert, etc. The results can help you determine how much space to allocate within your catalog for each of the products you do carry, which to feature on the web site, etc.

2. Create a "best customers only" page on-line, where customers can "vote" and provide input and feedback on new product ideas before their development or purchase is even finalized. Ask which color, topic, or other version customers prefer. That way you can learn that 18" long necklace chains are preferred over 24" and you will insure your supplier delivers the most likely winner to you.

Tom Link of Link Direct, direct marketing consultants concurs, "For some B-to-C clients we've used web surveys to our online newsletter recipients to gauge interest among a list of premiums. Since we can't test all the premiums in direct mail, this helps us zero in on which ones to test. If you combine this type of premium question along with demographic questions in your survey, you can create cross tabs to see what premiums might be of most interest to specific segments of your audience."

An additional way to use the web for testing premiums is to offer an unannounced bonus gift to web customers at checkout. Let them choose among 4-5 premiums. This gives you good data in a relatively similar situation to how premiums will be offered. One premium may emerge as the



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winner or you may need to do a second round of web tests allowing customers to select between the top 2 winners.

There are numerous areas where your web site, email and search marketing can provide insights: testing of copy, benefits focus, price and offer, merchandise, and premium selections. These online methods all provide answers fast and inexpensively, helping you refine your plans before you further hone in on the best approaches via direct mail, inserts, DRTV, or space ads. Approach your testing plan in a multi-channel manner and let your online involvement improve not only your offline results, but also your speed in determining what works. And don't forget to take what you learn off-line and apply it online. Then you're taking advantage of the full circle benefit of a multi-channel test plan!

Sidebar

What to do when you have a small niche market, small quantities or are just starting out and have small budgets....

Just because your database isn't in the millions and your budget isn't the size of Dell, doesn't mean you can't test. But if your house file is only 25,000 names and your usual mailings are no more than 35,000 pieces, how do you get statistically reliable data from your tests? The answer lies in repetition. Whatever rules of thumb you are following, the statistical hurdle of 50 or 100 orders (or some other figure depending on how much confidence you want in the result) can be daunting for a small business. Overcome that problem by testing the same concept repeatedly. For example, if you are uncertain if installment payments will benefit your product but are unsure how much of a lift you'll get, test with and without installment offers in multiple mailings, inserts, ads, web pages, etc. for multiple items. Then look back and gather all your data to determine trends to make your decision. If 4 of 5 times you test installment payments they lift response by 10%-15% and the 5th time it's a wash, your decision is a no brainer – roll out installment payments wherever you can. If on the other hand installments win 3 of 5 tests by 5%-10% and loses you 5%-10% on 2 of the tests, you need to dig deeper to see if there are further tests you can do to understand when, for which audiences, and for which products and offers installment payments make sense.

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