SMALL CHANGES: BIG PROFITS
(2008 EDITION)

by Paul Hancox

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The Key To Maximum Profits

1.1 A quick example of a 1,000% increase in profit

According to the August 2007 edition of Target Marketing Magazine, “…research indicates that the average conversion rate - that is the ratio of orders to overall site visits - is 2.9 percent.”

Since this research didn't include smaller online marketers, I suspect that the actual average is lower - probably closer to 1% or 2%.

Of course, these studies could never tell us whether 1% is good or bad, because it depends what you're selling.

For instance, if you're selling a $50 million jet engine, then 1% would bring in a lot of money! You only need 100 visitors to make a $50 million sale.

However, if you're selling a $50 product, and your site converts 1% of your visitors into customers, then every 100 visitors will earn you $50. How much of this is actual profit will depend on your costs. If it costs you $40 to get these visitors, then you're making a profit of just $10.

So you'll need a lot of traffic to make a lot of profit!

For instance, if you wanted $1,000 a month profit, you'd need at least 10,000 visitors a month (assuming that your costs per visitor remained the same).

Creating that many visitors can be hard work!

You could, of course, reduce your costs by finding cheaper sources of traffic - but pay-per-click advertising is generally rising in cost, and besides, cheaper ways of generating traffic often have a different cost - the cost of your time.
However, watch what would happen if you were able to go from converting 1% to 2% of your visitors into customers.

This means every 100 visitors now generates 2 new customers, which earns you $100 in revenue ($50 per customer). Your costs haven't changed - it still costs you $40 to get the same amount of visitors. **Your profit is now $60.**

Did you notice what happened? By getting your site to convert more of your visitors into customers, your profit has gone from $10 to $60 for each 100 visitors - *that's an increase in profit of 500%,* without spending an extra dime!

It gets better... let's see what would happen if you were to go from converting 1% to 3% of your visitors into customers.

You would make 3 sales, and so $150 for every 100 visitors. Again, your costs would stay the same at $40, so **your profit is now $110.**

In other words, your profit has gone from $10 to $110 for every 100 visitors, an awesome **1,000% increase!**

Now if you wanted to earn $1,000 a month profit, you'd need just 910 visitors a *month* - much easier to achieve than 10,000!

The question is: How do we go from 1% to 3%, or from X% (your current conversion ratio) to Y% (a better one), without spending more money?

The answer is to **find the hidden elements in your site that are just waiting to make you profit!**

And I can virtually *guarantee* there are more than a few of these hidden elements on your site right now - you just don't know where yet. (If you did, you wouldn’t be reading this report!)

*In this special report I'm going to show you how to find every last one of them until your site is raking in profits as easily as raking up leaves in the fall!*  

The method we're going to use to find these hidden elements *isn’t* a big secret - it's called testing and tracking.
If this concept is new to you, then you're in for an exciting journey of discovery and profit!

If you're already familiar with the concept, then I'm going to show you a whole bunch of things that most other marketers won't tell you about.

For instance, I'll demonstrate exactly why testing and tracking is actually the single most important part of your marketing strategy (in some ways, even more important than traffic!), how to squeeze every last drop of profit from your site and hence push your conversion rate to its optimum level, exactly what to do even if your site only receives 10 visitors a day, elements you can test that most marketers have barely even considered, and how to use these techniques to generate new traffic, and even how to effectively engineer your own conversion rate!

1.2 What four top marketers have to say about what you're about to discover

Here's what four of the world's top marketers have to say about the process you're about to understand more thoroughly than 95% of your competitors:

Jay Abraham, internationally renowned marketing and management consultant, said this: “Simply improving the headline of an ad can multiply your results 20 times! And yet, so few people will ever test one headline against another. Or one direct-mail letter against another. Or one sales pitch against another... the leverage possibilities in each of these examples is enormous!... And it all comes from understanding the laws of testing. Testing is the key to getting the maximum leverage for your marketing money.”  

Mark Joyner, described by many as the “Tiger Woods” of internet marketing, had this to say: “When you test, you know exactly what's working. And when you know what's working, you can duplicate that success again and again. Here is where persistence comes in. You have to be willing to try out different things and accept that most of what you try will fail. If you keep trying, sooner or later you'll hit on some winners.”

Terry Dean, who has sold millions of dollars of products online, asks this question: “Are you testing and tracking everything in your business? It's
essential. Testing and tracking is the way to resolve all arguments. If you can't decide between three headlines, test all of them. The one which makes the most money for your web site is the winner. Recently I did a change in my headline... the new headline out-produced the old one by 70%.”  

The late Corey Rudl, who was one of the earlier big names in internet marketing, said this: “I know there are a lot of you out there who do not take testing seriously. Before I increased my sales by over 300% almost overnight, I didn’t test much either. However, when I saw the incredible difference a headline made, I became a testing convert.”

I could go on, but I think you get my point. If you're not testing and tracking, you could be missing out on a lot of extra money that could have been yours. Or, to put it another way - if you do test and track, you could turn an average campaign into a massively profitable one, just by making a few small changes, as I'll prove shortly.

1.3 Why you, and 95% of people like you, still don't test - and why all of your excuses (whatever they are) are dead wrong

Whenever the subject of “testing” comes up, I hear a lot of excuse for why it's not being done. I can completely understand why people make these excuses, but I'm afraid they are hugely mistaken.

Here are the top 5 excuses, and why they are wrong.

**Excuse #1: “I don't have the traffic right now, I'll test when I get more traffic.”**

Wrong! It's true that you can't necessarily get statistically valid results for certain kinds of tests if you only have 10 visitors a day - but it just means you'll need a different approach. In this report I'll show you what a low traffic site needs to do, even before you get more traffic. If you have a low traffic site, you must do this! And I'll give you an example of highly effective testing on a site with this kind of small traffic.

**Excuse #2: “Testing sounds like too much hard work.”**

Wrong. After reading this book, you'll be pleasantly surprised just how easy it is
to test.

**Excuse #3: “I don't understand *how* or *what* to test.”**

Wrong. You're reading this book now, so shortly you'll have *all* the knowledge you need!

**Excuse #4: “Testing sounds too complicated.”**

Wrong. Although there *are* some technical things that are useful to know, you don't really need *any* complicated technical knowledge. As I'll show you later, most of the process is automated, so you won't need to worry about the mechanics of it.

It's like a car - very complicated machinery inside, yet you drive one about quite simply using two hands and two feet. (Oh, and *eyes* always help.)

**Excuse #5: “Testing sounds too expensive.”**

Wrong. Although there *are* some expensive testing tools out there, I'll also point you to some free and low cost ones. Besides, if you're too concerned about the costs, you're missing the point.

One of the key elements of business is the concept of return on investment. In other words, if you spend $50 today to generate $500 profit *tomorrow*, that's a great return on your initial investment. Treat any money you spend on acquiring the tools to become more profitable as an *investment* in your business - and, therefore, yourself!

**Bonus Excuse #6: “I have a dynamic site like a blog, so I don't really need to test.”**

Wrong. You can and *should* test, even if you operate a dynamic site such as a blog! Later on I'll show you how to do this.

**Here's the bottom line:** In the end, most people don't test because they think it's easier to read someone else's story about how they increased sales by 300% just by tweaking this or that... and then to go off and adjust that on their own
sites.

The danger here is... *what worked for the other site may not work for you.* In fact, as I'll demonstrate in this report, it could have the *opposite* effect on your site!

Which leads me nicely on to the question of...

### 1.4 Whose opinion matters most?

I get emails all the time from people asking me, “For what price should I sell my product?” or “Which headline is better?” Go to any of the popular marketing forums and you'll see these types of questions being asked on a *daily* basis.

There's no shortage of people willing to give you advice, and some of it doubtless is *good* advice. Also, in this report I'm going to give you examples from literally dozens of tests - and hopefully some of them will help you dramatically boost your profits.

However, by the time you read this report you'll completely understand the following quote from Jay Abraham, one of the world’s foremost marketing experts:

> “You don't have the right or the power to predetermine what the marketplace wants and what the best price, package, or approach will be. Rather, you have the obligation, opportunity, and power to put every important marketing question to a vote by the only people whose ballots count: clients and prospects, who vote with their checkbooks, credit cards, purchase orders, contracts, or raises and promotions.”

Let me give you a couple of real-life examples to illustrate what he means.

Chuck Hildebrant and his team at Travelzoo conducted a test of background colours on their banner ads - testing light blue, yellow and red against their
standard white background. Before launching the test, he asked his associates to come to his office and pick a colour. None of them picked red. They all had their own good marketing reasons for picking light blue or light yellow. The test was launched. All the colored banners improved results over the white one: blue by 2%, yellow by 7%, and red by... 22%. Nobody picked the one that performed best in actual tests. 1f

Greg Linden at Amazon created a prototype to show personalized recommendations based on items in the shopping cart. You add an item, recommendations show up; add another item, different recommendations show up.

The prototype looked promising, but a marketing senior vice-president was dead set against it, claiming it would distract people from checking out. Greg was forbidden to work on it any further.

Nonetheless, Greg ran a marketing experiment, and the feature won by such a wide margin that not having it live was costing Amazon a noticeable chunk of change. With new urgency, shopping cart recommendations launched. Since then, multiple sites have copied cart recommendations. 1g

The late great copywriter Gary Halbert would often ask the readers of his newsletter - a very savvy audience of marketers, copywriters and business owners - what they thought of particular advertisements he'd written. One famous example was his Rolls Royce Letter. Here's a few samples from the actual ad he wrote:

... “What you are looking at is a picture of a Rolls Royce Silver Shadow I can sell you so cheaply you will find it hard to believe!

... if you so desire, I have worked out a way to finance cars over a period of four to five years at a very favorable rate of interest.
...Please call me as soon as you read this letter. Right now, I only have five of these wonderful bargains and they won't last long! My number is 000-000-0000.

...P.S.S: There is another "mystery reason" why I can sell these Rolls Royces so cheaply, but I would prefer not to reveal it until we talk on the phone. Thank you.

Go and read the full ad here. Gary asked his readers, “Tell me if you think the letter was a winner, a loser, or just mediocre.”

In his next newsletter, he revealed some of his readers thoughts. “I have never posted a letter for the review of my readers before that was so universally trashed as this one. Most of you decided this letter sucked.”

Here are a few extracts of comments from his readers that Halbert shared:

"... I think it was a loser because of the continued Self-Reference... No-one cares about I. They care about [themselves], so people don't see themselves in the car, they see [me] selling it."

"... I think at best it was mediocre, probably a loser. It sounded desperate to me."

"... The beginning of the letter does absolutely nothing to grab my attention. You don't tell me how you got my name and exactly why you're writing me. You attempt to position yourself as a "non salesman," yet it's abundantly clear you're trying to sell me an R.R... It totally makes you sound like a sleazy used car salesman. On a scale of
1-10, your believability factor is about a 2."

"My take on this particular ad is that it was not successful. The use of the word "cheaply" at the beginning was somewhat of a turn off in my mind... The final reason I would guess this was not successful was the emphasis on financing. Even a used Rolls would cost a pretty penny, and my belief is that the driver of this class of car would not necessarily need the financing options. The emphasis would be a possible turn off to a potential buyer for whom financing is not a problem..."

"The letter did not grab me at all. When you stated you wanted to "sell me", just rubbed me the wrong way. I don't know who this person is and why should I trust him? To me, there was no excitement."

As Gary said, most of his readers thought the ad sucked.

So how did it do? Says Gary: “We never made a second mailing of that letter. Because... that letter sold out every Rolls Royce he had in stock in three days and every Rolls Royce he could backorder.”

In fact, in his newsletter (and in the ad itself) Halbert held back on a little secret that justified selling them at a much lower price - they all had right-hand drives. According to Gary, this wasn't a problem - he'd driven one himself and it took two minutes to adjust, and none of the other buyers had problems with it.

So why have I spent so many words on this example from Gary Halbert's newsletter?

It's because, to me, it perfectly demonstrates the biggest stumbling block we marketers can have to making big money - our opinions and ego.

It's easy to have an opinion - everybody has one - but as these and other examples you'll see demonstrate, the only opinions that really matters are the
voice of the voters - those who vote with their credit cards, checkbooks, purchase orders etc.

And that is Jay Abraham's point. Please go back and read his quote at the beginning of this section.

Don't let office consensus, forum posters, or even your inner gut feeling decide what works - let your visitors and customers do that for you. Put it to their vote - which they can cast by credit card, check, purchase order, or subscription.

“Almost any question can be answered, cheaply, quickly and finally, by a test campaign. And that's the way to answer them - not by arguments around a table. Go to the court of last resort - the buyers of your product.”

- Claude Hopkins, Scientific Advertising, 1923

1.5 Why conversion is critical for your online survival, let alone success!

In my very first post to my Internet Influence Magic blog, I explained the situation that online businesses face:

The Internet is a remarkable medium. Don't you think? It allows you and me to reach out to other people virtually anywhere in the world. It enables us to publish our thoughts instantly, sell our products to a global market, or just chat about the latest Paris Hilton incident.

And yet, because everyone has the ability to do that, what tends to happen is that the overall noise gets louder.

In other words, today you're already competing with so many million voices (whatever the latest stats happen to be). One thing's a virtual certainly, barring an Internet-wide crash: tomorrow, there will be more voices. The day after, even
more than the day before.

With more voices, there will be more people competing for pay-per-click advertising, more people clamoring to get your attention, more people wanting to enter your particular niche.

The ones who succeed will increasingly be the ones who are earning the most money from their sites - that's how they will be able to afford the higher costs of generating traffic.

The rest will end up talking to themselves. That's why you need to start testing and tracking *today*. If you don't, I can guarantee *someone* in your niche will.

### 1.6 How to shoot for the stars

> Basic instincts, social life -
> Paradoxes side by side.
> Don't submit to stupid rules -
> Be yourself and not a fool.
> Don't accept average habits -
> Open your heart and push the limits.

- Enigma, The Screen Behind The Mirror

Apparently, the average site converts at around 1 or 2%. Maybe 3%.

So what? Are you content to be *average*?

You might be happy with your present 2% conversion rate, but what if you had a magical tool that could *instantly* tell you what your site was actually capable of converting... and you discovered it was something like 12%?

In other words, for every 100 visitors, you were *happy* with 2 sales, when your magical tool says you could have had 12 sales.

Given this new piece of information, would you *still* be happy? After all, you've effectively *turned down* 10 sales, just because you didn't know what it would take to convert them.
First the bad news. Such a magical tool doesn't exist.

The good news is that you can *approximate* this magical tool by continually testing and tracking, because *you have no idea what your site is capable of achieving until you test, track and optimize.*

Also, let me put that 2% conversion rate into a different perspective for you. It means that 98% of your visitors come to your site for whatever reason, and don't buy.

98%.

You have a 98% *non*-conversion rate.

One of the things that's always bugged me is that, since 1% or 2% is touted as the average conversion rate of a commercial site, people are often content to achieve average results, and get genuinely excited when they hit 3% or 4%.

If you've gone from 1% or 2%, to 3% or 4%, that's *definitely* a cause for celebration, and a wonderful achievement, to be sure.

But I also look at it from the other perspective - a 4% conversion means I have a *96%* non-conversion rate. I have 96% of people *not* buying from me...

*And I want to know why!*

If I have a great product, quite frankly *everybody* who comes to my site should be buying it!

In reality, *some* of the people who come to your site may not be in a position to buy, or are there for some other reason, but think about this for a moment - if you owned a restaurant, and 98% of those who entered the restaurant took a good look round, and then left, wouldn't you think something was seriously wrong?

And yet, on the Internet, most people are *content* to let 98% (or even 99%) of their visitors leave without making a purchase. And they don't even know *why* they're leaving!

(Later in this special report I'll show you how to easily find out *precisely* why
they're not buying, so you can alter your site and hence boost your sales.)

Listen, don't settle for 1% if your site is potentially capable of converting many percentage points higher. As I've already demonstrated to you, what appears to be a small increase from 1% to 2% can have a profound impact on your bottom line.

Wouldn't you be horrified to discover your site was actually capable of converting 10% of your visitors into buyers?

Of course you wouldn't be... you'd be delighted!

So the question now is, how do you go about finding those profitable elements that will help you boost your conversion rates and therefore your bottom line?

There are several techniques you can use and need to understand. In the next chapter I'm going to introduce you to a concept with which you may already be familiar. It's called split testing. If you've not heard of it, you'll be in for a pleasant surprise. If you have heard of it, I'm going to open your eyes to some secrets to split testing which may well shock you.

2

Split Testing

2.1 What is split testing?

Split testing, also known as A/B testing, is a marketing term originally coined by the mail order companies, who were doing tests far longer than Internet companies.

Here's how they'd usually conduct a test: before sending out a mailing, they
might take two smaller samples of their mailing list - samples A and B. They would prepare a sales letter to send to each sample, identical except for one element. This element could be a different headline, a different call to action, or even a different price!

The company would then send the relevant sales letter to both samples, and they would track the sales that result from each sample. They might do this by printing a special tracking code on each letter, which the customer is asked to quote when they order. The tracking code identifies whether the mailing is from sample A or B.

Or the company simply prints two different telephone numbers as its order line - one for each batch - so it can instantly tell from which batch the order is coming.

By tracking each sale, they get to find out which version of their sales letter is likely to convert best. The remainder of the mailing list would then receive the version of the sales letter that resulted in the most sales.

Now, the most successful direct marketers don't just test once and then rest on their laurels. They test every element of their copy. In fact, they don't just limit themselves to testing the copy. They will test everything that can be tested - including envelope shape and design, whether to include anything other than an address on the outside of the envelope, whether to use a machine printed stamp or not, and even the whole process of ordering.

Many of the wealthiest direct marketers are where they are today precisely because of this technique. They didn't just assume something would work. They tested, tracked and refined the whole selling process until they discovered precisely what worked best. Then they repeated the successful campaigns over and over again, constantly trying to improve on their best results.

The great news is... split testing can also be done on the Internet. Unfortunately, it's not as easy to do as in physical mailing lists - it's far easier!... as you'll see shortly.

2.2 What you need to conduct a split test

As I mentioned earlier, split testing isn't the exclusive domain of direct
marketing, or the Internet. It can be used in just about any part of your business, as long as you have the ability to test and track. Here are the six key elements you’ll need in order to perform a split test:

(1) **Two versions** - the control and the variation.

The control is simply the version or method that’s currently converting the best. The variation is, as the name suggests, a variation of the control.

(2) **The ability to split fairly between the control and the variation.**

If you’re testing which headline pulls better for your Internet sales letter, you’ll need some way to split your traffic stream so that a proportion of your visitors see the alternative version.

(3) **The ability to measure actions from each split.**

If you’ve split your traffic into two, every time you make a sale you’ll need to know which split your visitor saw, so that you can determine which one is more effective.

(4) **A sufficiently large sample of results.**

As you’ll see shortly, you need to gather enough data to give you meaningful results. You won’t get this from just 2 or 3 actions.

(5) **Patience!**

Split testing takes time, and can take days or even weeks - although I’ll show you techniques to vastly reduce the time it takes, later on. It’s easy to start jumping to conclusions too early, but as the experience of one successful marketer (who I’ll mention later) shows, this can cost you money.

(6) **The ability to interpret the results correctly.**

I haven’t shown you how to split test yet because, without the understanding you’re about to get from this chapter, it’s easy to misinterpret the data. For instance, if you perform a test and find that letter A outperforms B by 10%, does that mean letter A is better? The answer, as you’ll see shortly, is no - at least,
not necessarily.

2.3 What’s a conversion rate, and when should you calculate one?

If you have a number of people (X), and a certain percentage of them take the action you desire (Y), then this percentage is what I call the **Y to X conversion rate**.

To calculate a conversion rate, just take the number of people who took the action (Y), divide it by the total number of people (X), and then multiply this figure by 100 to convert it into a percentage.

So if you get 100 people to your site, and 4 go on to buy your product, then the **visitor to buyer conversion rate** is \( \frac{4}{100} \times 100 = 4\% \).

By the way, just to confuse you, some people will call this a conversion **ratio**, although technically speaking a **ratio** should be in the format 1:100 - meaning 1 in every 100, which is the same as saying 1%. If they say something like, “My conversion ratio is 4%”, they mean their conversion **rate**. However, if you see someone say, “My conversion ratio was 4:25”, it means that 4 of every 25 people converted. (To turn this into a percentage, divide the smaller by the larger, and multiply by 100, ie. 4 divided by 25 is 0.16. Then multiply this by 100 to get 16. So the conversion rate is 16%).

In this book I'm going to stick with conversion **rates** as a percentage figure.

Now, here's a crucial understanding for you: **each and every time you want your visitors to take some kind of action, you should calculate a conversion rate for that action.**

For instance, as well as your overall visitor to sales conversion rate, if you have any kind of opt-in subscription process, you should also calculate your **visitor to subscriber conversion rate**, and your **subscriber to sales conversion rate**.

In other words, you should measure what percentage of your visitors are signing up to your email offering, and should also measure what percentage of your subscribers go on to buy something.
Remember that, only when you know how well each feature of your site is converting, can you work on improving them. And, as we'll see later, calculating these intermediate conversion rates is one of the keys to maximizing your sales.

2.4 Unique visitors only - if you're not unique, you're not counted

As you probably know, with a good web stats program you can measure all kinds of useful stuff from your site - hits, pageviews, unique visitors, non-unique visitors, distinctly unoriginal visitors...

For me, the most important one is “unique visitors”. If Fred comes to my site, looks around, goes away, then comes back each day for the next 7 days, my web stats would clock up at least 8 “page views” or “visits” (i.e. the number of times my sales page has been viewed), but he's still one unique visitor, one potential customer.

If I have 3 sales and 100 visitors, I can only say I have a 3% conversion rate if I'm fairly certain that those 100 are unique visitors. If Fred came back 30 times before making a purchase, that's going to skew the statistics if I were just basing my figures on page views.

For the purpose of this special report, when I talk about visitors, or the “visitor to X conversion rate” (whatever X happens to be at the time), I'm talking about unique visitors.

In order to measure something and improve on it, you need to know precisely what you're measuring.

Of course, that doesn't mean all the other statistics are unimportant. If your visitors are viewing an average of 7 pages before they buy from you, that's a useful statistic you could work on improving.

However, the principal statistic that you'll need to know is your unique visitors. These are the number of potential customers you could have. It doesn't matter how many page views Fred generates - he can only ever be one customer. He could refer other people, but he'll only be one customer. (Unless Fred is ever cloned - which, incidentally, is a little-known technique for increasing your customer base.)
2.5 Your results - how significant are they?

If you toss a coin 4 times, one of the following outcomes will occur:

- All 4 coins land the same way.
- 3 of the coins land one way, and 1 lands the other.
- 2 land one way and 2 land the other.

Even though the chances of any individual coin landing “heads” is 50% (i.e. half) and tails 50%, when you toss 4 coins, the chances are you'll get more heads than tails, or vice versa.

Does that sound bizarre? Here's why...

<table>
<thead>
<tr>
<th>Coin split</th>
<th>Chance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0/4</td>
<td>12.5%</td>
</tr>
<tr>
<td>1/3</td>
<td>50%</td>
</tr>
<tr>
<td>2/2</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

(See Appendix A if you want to see how I calculated these figures.)

The chances of getting all 4 coins facing the same way is 12.5%, while the chances of getting 3 facing one way and 1 facing the other is 50%.

In other words, the likelihood of getting an uneven split of heads and tails is 62.5%, while the chances of getting an even split of two heads and two tails is just 37.5%.

To put it simply - you're much more likely to get more heads or more tails, simply due to chance.

Now, if we did a “split test” on our coins and got 3 heads and 1 tail, we could legitimately say, “Heads outperformed tails by 200%!"
However, it's a meaningless statement, because we almost expect one to outperform the other! The difference isn't really significant.

So what does this have to do with split testing? The answer is: everything.

If you take two sales letters A and B which are exactly the same, and conduct a split test until you have 4 sales, you'd be forgiven for thinking you'd get 2 sales from each sales letter - but, just as in the example of the coins, you wouldn't necessarily get that, because of the ancient statute known as the Laws of Chance.

In fact, you're more likely to get 3 from one and 1 from the other - but this doesn't mean either of them is better (because we've made them exactly the same!) - the difference is purely down to chance.

Similarly, if you toss a coin 10 times, you're not necessarily going to get an equal number of heads and tails. In fact, you're more likely to get 4 of one and 6 of the other. If, after 10 coin tosses, you got 4 heads and 6 tails (a 6/4 split), you could say that tails outperformed heads by 50%, but as a truly scientific experiment this tells us nothing - because in a random coin toss like this, you're more likely to get more heads or tails than an equal number of them.

So a 6/4 split is not significant. What about 7/3, 8/2, 9/1 or even 10/0? At what point can we safely say there's a significant difference?

Happily, statisticians and scientists use a word that actually makes sense to describe how important this difference is - they call it significance. (Yay!) If the difference is above a certain level, they say the results are “significant”. If not, they're “not significant”, i.e. you can't make an accurate statement about the significance of the data.

In other words, if I proclaimed, “In our test of 10 coins, heads outperformed tails by 50%!” , the statisticians would laugh, say “So what, it's not significant!”... and then go back to reading whatever mathematical treatise they were currently into.

Similarly, in your split tests, if one split is currently outperforming another, the critical question to ask is: “Is this difference significant, statistically speaking? Or is it just some freak of chance.”
If version A of your sales letter is at 6 sales, and version B is at 4, it's tempting to assume that A is better, but the stats tell you it could quite likely be down to pure chance. In fact, as I'll show you shortly, assuming that letter A is better could be a big mistake.

Now, I'm not going to bore you with an advanced mathematical treatise on determining which results are significant or not. Here's a basic rule of thumb, which you can use when comparing your campaigns:

**THE SIGNIFICANCE RULE OF THUMB**

Let's say you have X actions from one sales letter, and Y actions from another (where X is the better performing one). If the difference in the number of actions (X – Y) is greater than the square root of the total number of actions (X + Y), then the difference is statistically significant.

If your eyes have just glazed over, fear not. It's actually quite simple to work out. You just need a calculator, and the results of your sales letters. (Handy Tip: Windows comes with a calculator, usually found in the Accessories folder. The square root function is called “sqrt”. You may need to put the calculator into scientific mode.)

Just remember that this rule can make you big money, or save you from making costly assumptions about your tests.

Here's an example of how this rule works:

In a sample of 100 sales, let's say you make 54 sales from letter A, and 46 from letter B. It *appears* that letter A outperformed letter B. However, is the difference statistically significant?
The square root of 100, the total number of sales, is 10. And because the difference between 54 and 46, or 8 sales, is less than this, the results are not statistically significant.

In other words, even though it's tempting to go with letter A because it seems to be pulling better, mathematics tells us that this could simply be due to random chance and not because letter A is any better. They difference may look appealing, but is not statistically significant. If you wanted to be sure, you'd have to collect more data.

2.6 Sample size - why it matters

Let's go back to the coin tossing analogy for a moment. If I tossed a coin twice, and both times it came up heads, you wouldn't be too surprised, would you? There's a 25% chance of that happening.

If I tossed it 3 times, and it came up heads twice and tails once, then you could say heads came up 50% more than tails - but common sense tells us this isn't significant, and our “rule of thumb” says the same thing:

Square root of the total “actions” = square root of (2 heads + 1 tails) = square root of 3 = 1.73.

Difference between number of “heads” and “tails” = 1.

Since the difference (i.e. 1) is less than the square root of the total actions (i.e. 1.73), then it's not statistically significant.

In fact, in such a small sample of coin tosses, it's hard to find any results that would be significant. We need a much larger sample of results.

In our earlier example, letter A pulled 54 sales, and letter B pulled 46. Both letters pulled a total of 100 sales. The square root of this is 10. So there would have to be a difference of at least 10 sales before we could say the results are statistically significant.

In other words, we'd be looking for at least a 45/55 split to say the difference was significant. This would mean letter B was a 22% improvement (to the nearest
whole number.)

*The larger the sample of results, the less the percentage difference needs to be in order to be statistically significant.*

Now, in the table below (Table 1.1), I've done a lot of work for you. I've summarized different sample sizes ranging from 20 to 10,000, and their square roots (rounded to 1 decimal place).

So, for instance, a split test sample of 1,000 results needs to have a difference larger than 31.6 to be significant, ie. 32 or more sales (if sales is what we're measuring). This is shown by column two.

The third column shows the actual minimum split required to achieve significance - so, in a sample of 1,000 results you'd need to achieve a split of 484/516 or better.

The final column shows the percentage increase of the larger result over the smaller (rounded to the nearest whole number), i.e. in the 484/516 split, the second is 7% larger than the first.

**Table 1.1**

<table>
<thead>
<tr>
<th>Sample</th>
<th>Square Root</th>
<th>Minimum Split</th>
<th>Minimum % Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>3.2</td>
<td>3/7</td>
<td>133%</td>
</tr>
<tr>
<td>20</td>
<td>4.5</td>
<td>7/13</td>
<td>85%</td>
</tr>
<tr>
<td>30</td>
<td>5.5</td>
<td>12/18</td>
<td>50%</td>
</tr>
<tr>
<td>50</td>
<td>7.1</td>
<td>21/29</td>
<td>38%</td>
</tr>
<tr>
<td>70</td>
<td>8.4</td>
<td>30/40</td>
<td>33%</td>
</tr>
<tr>
<td>100</td>
<td>10.0</td>
<td>45/55</td>
<td>22%</td>
</tr>
<tr>
<td>200</td>
<td>14.1</td>
<td>92/108</td>
<td>17%</td>
</tr>
<tr>
<td>300</td>
<td>17.3</td>
<td>141/159</td>
<td>13%</td>
</tr>
<tr>
<td>500</td>
<td>22.4</td>
<td>238/262</td>
<td>10%</td>
</tr>
</tbody>
</table>
Now, it might just seem like a table of meaningless numbers to you at the moment, but I promise you'll thank me for it later on! That's because it contains some incredibly valuable information that you'll find very useful once you start conducting your own tests.

For the moment, just look at the first and last sample sizes in the table. It shows you why it's very difficult to get any meaningful information from small sample sizes of 30 or less. It's because you'd need to see a difference of at least 50% to be reasonably confident the improvement was real, and not down to chance.

Conversely, with a 10,000 sample you could be very confident that any difference larger than 2% was a result of the testing factor, and not chance.

*The larger the sample size, the more accurate the results.*

Don't worry if you haven't fully understood the last couple of sections. Just keep reading and things will get clearer, I promise.

### 2.7 What sample do you measure?

When conducting a split test on the Internet, many marketers choose to send a certain amount of unique visitors (i.e. 1,000) to letter A, and the same amount to letter B and see which performs best, by calculating the conversion rate for each one.

Let's say we do this, and get the following results:

After 1,000 visitors, letter A generated 24 sales, which is a conversion rate of 2.4%, while letter B generated 36 sales, which is a rate of 3.6%.
First, we'd need to check for significance, using our Significance Rule Of Thumb.

Total sales came to 60, and the square root of this is 7.7 (to 1 decimal place). The difference in sales between each letter was 36 - 24 = 12, so the difference is significant.

In this case, we've fixed the number of unique visitors at 1,000 to each letter, or a total of 2,000 unique visitors.

Now, this approach is fine as long as you send an equal amount of traffic to each letter.

However, you need to make sure that you've got enough actions to detect significance.

If you test on 2,000 unique visitors and your overall conversion rate is still only 1%, then you've only got 20 results to play with... and as Table 1.1 shows, it's going to be hard to notice any real improvement because the element of chance plays such a big role at this small sample level.

So for new sites that currently aren't converting too well, or for low traffic sites, I suggest you simply fix the number of actions (such as sales) that you want to get as part of your sample, and then just keep splitting your traffic until you get the required number of actions.

I recommend choosing a minimum of 50 actions. If you have the traffic, 100 actions is better, and 300 or more is best.

Of course, this poses a problem if you're just starting out - especially if you're measuring sales. How do you get that many sales in the first place?

In a later chapter I'm going to show you how you can use split testing to increase your conversion rate and sales even if you only receive 10 visitors a day, or you make just 1 or 2 sales a day.

So you can and should start testing and tracking from day one. Just remember that when your sample size is small, don't automatically assume even a large difference is significant. (Remember that, according to Table 1.1, a sample of 30
actions requires a difference of 50%, or at least a 12/18 split, just to be significant!

So keep gathering more data, until you've reached a decent sample size.

Let's say you choose to fix the number of actions in your sample to 50. Then you'd keep sending traffic to both letters A and B until the total number of actions from either letter reaches 50.

Once that's happened, you can calculate a conversion rate for both, as long as you know how much traffic has been sent to each.

Example:

Julie sells an online product, and her site currently receives about 50 visitors a day (or about 1,500 per month). Her current conversion rate is about 2% (or about 30 a month), but she wants to improve this. At the moment she doesn't think the first couple of paragraphs are strong enough.

She conducts a split test, with the current letter as her control (A), and a variation (B), which has the first couple of paragraphs re-written.

She decides that she wants to get at least 50 sales before coming to any conclusion. So she conducts the test until she gets her sample of 50 sales.

The split is 21/29 in favour of letter B. Now, all she needs to do is look at Table 1.1, and the line for a sample of 50 results. This tells her that a split of 21/29 or better is significant, so letter B is an improvement.

To calculate the conversion rates of each letter, all she needs to do is know how many unique visitors have been sent to each. In this case, she's sent 1,125 visitors to each letter.

So the conversion rates are:

Letter A: \( \frac{21}{1125} \times 100 = 1.87\% \)
Letter B: \( \frac{29}{1125} \times 100 = 2.58\% \)

Letter B is a nearly 38% improvement.
2.8 “Not significant” doesn’t mean “No improvement” - watch the trend!

If you run a test on a sample of 50 sales, and you get a 22/28 split, this is not statistically significant.

However, does this mean there’s no improvement? Not necessarily - it simply means that the difference could be down to chance, but it may not be.

The only way you can tell is to increase your sample size. As I stated above, the larger the sample size, the more accurate the results, and the easier it will be to tell whether the difference is due to a real improvement, or simply the result of chance.

If, after 50 actions, you get what appears to be an improvement although it’s not statistically significant, my suggestion would be to double the sample size to 100 actions, and see what the outcome is then. If the difference is still not significant, it’s more likely there is no improvement.

A useful thing you can do is to watch the trend. If there is a large enough improvement in Letter B (of 25% or more), then as you keep improving the same results, you’ll eventually reach a point where the figures will show significance.

On the other hand, if Letter B isn’t really an improvement, then the larger you increase the sample, the more evenly the actions will split.

Let me demonstrate what I mean, by “fixing” the results in advance. I have two sales letters, A and B, and I already know in advance that letter B pulls 40% better than A.

In Appendix B I’ve run a simulation of a split test, using a random number generator, in which sales get attributed to letter B 40% more often than letter A.

(Do you remember those machines you’d see at fairs or arcades, where you’d drop a coin into the slot at the top of the machine, and you’d see it drop down through a series of obstacles until it fell into one of a number of holes at the bottom? We're essentially running a simulation like this, with two holes A and B -
and we're weighting the machine so that the coin goes into one hole 40% more than the other.)

Now, after 10 sales, letter A results in 6 sales and letter B in 4 sales. It appears that letter A is slightly better, but the results are not significant.

After 20 sales, letter A has 11 sales and letter B has 9. Letter A still appears to be better, but still there's no significant difference.

After 30 sales, letter A has 18 and B has 12 sales. Letter A is apparently better (not true!) as the difference is significant!

If we'd stopped there, we would have come to completely the wrong conclusion altogether!

After 40 sales, the pendulum swings. A string of 9 B letter sales means that letter A now has 19 and B has 21 sales. Again, there is no significance.

After 50 sales, letter A has 21 and B has 29 sales. Now we have significance, but this time the other way round - letter B is the improvement.

As I said, I did this test using a random number generator, so I didn't know what to expect. I'm glad this happened, as it demonstrates the danger of relying on data from small samples. Had we stopped the test at 30 samples, we'd have drawn completely the wrong conclusion!

That's why I believe you should collect a minimum of 50 actions, and preferably 100 or more. If you've got 50 and you're not sure how reliable the outcome is, simply double your sample size to 100.

2.9 When does an X% improvement become significant?

Another useful tip - you're going to find the big improvements quicker than smaller ones. The table below tells you roughly how many actions you'll need before you detect an X% improvement.

Table 1.2
## Improvement vs. Minimum Sample Size

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Minimum Sample Size (actions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
<td>40,401</td>
</tr>
<tr>
<td>2%</td>
<td>10,201</td>
</tr>
<tr>
<td>3%</td>
<td>4,579</td>
</tr>
<tr>
<td>5%</td>
<td>1,681</td>
</tr>
<tr>
<td>7%</td>
<td>874</td>
</tr>
<tr>
<td>10%</td>
<td>441</td>
</tr>
<tr>
<td>15%</td>
<td>205</td>
</tr>
<tr>
<td>20%</td>
<td>121</td>
</tr>
<tr>
<td>25%</td>
<td>81</td>
</tr>
<tr>
<td>30%</td>
<td>59</td>
</tr>
<tr>
<td>40%</td>
<td>36</td>
</tr>
<tr>
<td>50%</td>
<td>25</td>
</tr>
</tbody>
</table>

(See Appendix C if you're interested in the math behind the above table.)

So what does this actually mean? It means that if you were able to know in advance that letter B was a 25% improvement over letter A, the above table tells you that you'd need a sample size of approximately 81 actions or more to establish significance.

On the other hand, if you're really scraping the bottom of the barrel, trying to find a 1% improvement, it's going to take you a good while to find. You'd better have lots of traffic and sales, because you need to get a sample of over 40,000 actions to find these tiny improvements!

These statistics are telling us something critically important - it's this:

*If you have a low traffic site, forget about finding the small improvements - it will take you too long to find! Look for the major hidden elements that will increase your results by 25% or more.*
And if you have a high traffic site, it's still going to take much longer to find the small improvements - so catch the big fish first!

2.10 How confident are you, anyway?

There's lies, there's damn lies, and there's statistics. You've probably heard that you can prove anything with statistics. And to a certain extent, they're right.

As we saw in a previous example, there's always a chance that our hard-earned results might reverse. Just as it appears that Letter A is a winner, the results flip and Letter B shoots ahead. What's a marketer supposed to do?

Statisticians are aware of this problem, and so they came up with a slightly less intuitive term to deal with this - what they call the confidence level.

Here's a very simplified explanation. Let's say we have two sales letters, A and B, with some variation between them. Statisticians then invent what's called a “null hypothesis”, which is the ultra-skeptical position that any differences in the number of actions is purely down to chance.

The “confidence level” is the probability that we fail to reject (i.e. to retain) the “null hypothesis” when it's true.

Confused yet? Good. Blame the statisticians, not me. Here's what it means in English.

If we have a 95% confidence level, it means that 5% of the time, we'll incorrectly conclude that there's a significant difference, when actually there isn't one.

In other words, if we get a set of results that are significant at the 95% confidence level, and we make changes based on these results, there's a 5% chance we could be wrong.

Now, here's the problem with our Significance Rule Of Thumb. If we take two sales letters A and B, and throw 1,000 visitors at each, to generate 92 and 108 sales respectively, then our Significance Rule of Thumb (and Table 1.1) says we have significant results. Unfortunately, according to statisticians we only have an 85% confidence level - in other words, there's a 15% chance we could be wrong!
(Don't worry about how I'm calculating these figures, I'll show you some handy tools where you can plug the figures in to find out your confidence level.)

We can, of course, wait for more data to come in. If we had 10 times more data, we could be a lot more confident in the results. At 10,000 visitors each, with 920 and 1,080 sales from letters A and B respectively, we can say that B is an improvement over A at a 99% confidence level - in other words, there's only a 1% chance we're wrong.

In the end, you'll have to decide for yourself what level of risk you're prepared to accept. Using the Significance Rule Of Thumb (which has about an 85-90% confidence level) means you'll be wrong about 10-15% of the time, but you don't need huge data samples.

Or you could shoot for 95% or 99% confidence levels, but you'll need a lot more data to go on, meaning much longer tests.

I'm explaining all this now, because I want you to have a full grasp of all the main issues involved with testing, because there's a lot of opinion out there.

For instance, I've seen people say that you should only rely on results when you have 95% or 99% confidence, but they don't mention the massive amounts of extra data you'll need to achieve this.

An 85% confidence level is not ideal, but it still means you're right 85% of the time.

The problem of confidence and sample size is another argument for using the method I explain in the chapter “Low Traffic Testing Secrets”. Personally, I'd use this method whether or not I'm getting low traffic!

Click here for resources on calculating confidence levels.

2.11  The “time” factor - beaten by a tortoise

Remember the story of the hare and the tortoise? Good, because I don't... so you're spared from hearing it yet again in your life.
All I remember about the story is that the hare races off quickly and still loses against the tortoise, who takes his time, cheats by using a stunt double (I only know the movie version), doesn't really make much effort, and still wins. Good children's story, eh?

Unfortunately, it's possible that one of the letters in your A/B split could be a “tortoise” - that is, it starts off slow, and only overtakes the other one at the last minute.

Here's a real-life example of what I mean:

Ken Evoy of site-sell.com ran a split test to see which sold best, long or short copy. He created two versions of a sales letter for one of his products, one with long and one with shorter copy, and split 40,000 visitors between the two.

The shorter version jumped in the lead at first, but the longer version caught up after two months. The longer version ended up selling 5% more than the shorter one.

Why did this happen? “We figured that some folks come back for more information over a period of weeks,” Ken explains. “Since the short site had nothing more to offer, but the long site did, the long one managed to catch up.”

Now, this is something lots of people forget when they're split testing. They forget that there may be a time element. After all, not everyone buys the first time they're exposed to a message. Some people may spend days or even weeks deciding whether to buy. (Some may have to for corporate reasons, i.e. getting their bosses approval for a purchase.)

This is why you also need to find out how important the time element is in your tests. If 80% of your visitors don't buy until a month after they first visit your site, then it's probably not a good idea to end a split test until the bulk of these visitors have made their purchasing decision.

If, on the other hand, most of your sales come from impulse purchases soon after they come to your site, then you may not have to worry too much about those who buy later on - just be aware of the possible “tortoise” factor.
2.12 How to conduct a basic A/B test

(1) **Determine in advance what you want to test.** It could be your headline, your price, your order form - you'll find plenty of suggestions and ideas later in this report.) We'll call each thing you test a **testing element**.

(2) **Determine your minimum sample size (or volume of traffic) in advance.** You should then run the split test up until the point where your minimum sample size, or predetermined number of visitors, has been reached. If you feel you'd like more data, you can always continue the test.

(3) If you're testing an element which may cause people to return at a later date (i.e. special offers, deadlines, long informative copy which may require repeated visits), you may also need to allow a certain amount of time to pass before ending your test. (For example, if you're running a 2 week special offer and you're testing two different variants of this offer, it makes sense not to finish the test before the end of the two week period. There may be many last-minute takers.)

(4) **Prepare two versions (letters A and B) of your sales letter.** Letter A is the letter that's currently converting best, which we'll call your **control** letter. (In a split test, we're always trying to beat the control letter.) Letter B should be a duplicate of A, except with the testing element changed. We'll call this letter the **variation** letter. (For instance, if you're testing headlines, letters A and B should be the same except that letter B should have a different headline to A.)

(5) **Run letters A and B simultaneously, splitting some or all of your traffic equally between the two**, and counting the number of actions taken from each split, until you have reached your minimum sample size, or your predetermined number of visitors.

(6) Calculate the difference between the number of actions from both splits, and then use the **significance rule of thumb** to determine if the difference is statistically significant or not. If you want more accurate results, get a confidence level of at least 95%.

(7) **If the difference is statistically significant, and letter B is an improvement**, then replace the control letter with letter B. If letter B reduces actions, then
continue with letter A as the control letter. If the difference is not significant, then you can either finish the test, or increase the sample size to see if you do achieve significance.

(8) Write down the results (including what you changed), and repeat the above process with another test element.

2.13 Don't panic! It's much simpler than you think...

If the above sounded quite complicated, then you'll be pleased to know it's actually much easier than it sounds. In fact, I'll show you some free and low-cost software that will automate 90% of this process for you.

For instance, if you want to test an alternative headline against the best one you're currently using, the only thing you'd really need to do is come up with a different headline that you think might increase sales!

The rest is virtually automatic, as you'll see.

2.14 What your results don't tell you

Before we continue, I want you to gain a couple of vital understandings about the results you'll get from a split test.

First, I've heard people say: “Surely the source or quality of the traffic will affect your split test results?"  

This is partly true. After all, let's say you're in the middle of an A/B test, and letter A is converting at 1% and B at 2%. As things stand, letter B is twice as effective at converting.

If we then threw in a lot of "junk" traffic to your site, this could well sink your conversion rates - but it is likely to have the same effect on both.

So your overall conversion rate might be halved because of the poor quality of traffic - but this would simply mean that Letter A's conversion rate drops to 0.5%, and letter B to 1%. In other words, letter B would still be performing twice as well
as letter A. *The relative performance remains unchanged.*

Split testing is a *relative* test - it can only tell you if A can perform better than B.

Second, I've heard people say something like this:

“Let's say I advertise in a newsletter, and the owner has conditioned his readers, or his readers are by nature people who hate a certain element on a web site. Letter A does *not* use this element, and letter B does. Under normal circumstances, letter B outperforms A by 50% - but if I conducted a split test while advertising in *this* newsletter, the results could well be reversed! Surely the traffic stream is important to consider in a split test?”

This is a very good point, and it is absolutely true that the quality and source of your traffic plays a *critical* role in determining your overall conversion rate. I'll discuss this later.

In reality, most people have a mixed stream of traffic coming from all kinds of places - search engines, links, affiliates, paid advertisements, media etc. When A/B testing on the Internet, your best bet is to conduct a test on a sample of your *overall* traffic, so that individual “quirky” results like the one just mentioned, have a minimum effect on the overall results.

However, as we'll discuss later, the more you test, the more you'll discover that different sources of traffic may react differently to your sales letter, so you can even present a *different* letter (or a variation on your main one) to different sources of traffic!

The third understanding you need to have is this:

*An X% improvement in your sample doesn't necessarily mean an X% improvement over all your traffic.*

It's very tempting to think that because you've achieved a 50% increase in sales from your split test, this will translate to 50% more sales when you switch exclusively to the improved letter.

Unfortunately, this is unlikely to be the case, especially when you've only been testing on a small sample.
To see why, let's go back to our example (from “Your results - how significant are they?”) of the 4 coin tosses. We are, in fact, more likely to get 3 heads and 1 tail (or vice versa) than we are to get 2 heads and 2 tails.

If I toss my coin 4 times and get 3 heads and 1 tail, I could say that “heads outperformed tails by 200%”, but as we've already discussed, the results aren't significant.

And as I continue to toss the coins, the number of heads and tails will start to balance out. It's rarely going to be exactly equal at any one time, but as the sample size increases, any differences due to chance are going to get smaller.

In other words, if your sample size is small (i.e. 50 or less) then a fair proportion of the difference between the results could still be down to chance. In fact, as we saw from Table 1.1, you'd need a 38% difference or greater just to be significant.

So if you're testing on a sample of 50 results, and you get a 50% improvement, don't be disappointed if this drops to, say, a 20% or 30% improvement, as you switch to using it as the control letter.

The only way you can get a better indication of the actual percentage improvement is to increase your sample size.

This may sound like a dilemma for small traffic sites, but later on I'll show you how you can get round this.

2.15 Testing the whole alphabet!

When split testing, you don't have to just test one variation. You can have as many variations of the same element as you like, as long as you can get statistically valid results.

For instance, you could test your headline, along with 2 variations. This is called an A/B/C test, where the original is A and the 2 variations are B and C.

Similarly, if you were to have 3 variations, with A as the original, and B, C and D as the variations, this would be called an A/B/C/D test. You can perhaps see a
pattern emerging here! More generally, these are called **simultaneous split tests**.

In these instances, the test is like a horse race - you can have as many “horses” running at the same time as you like (at least as many as your racetrack will allow!), as long as they all start off at the same place, each horse is given the same chance to run, and you have a fair way of finding the winner.

For instance, let's say you're testing 3 variations (B, C and D) of a headline against your original headline (A).

Your original headline converts at 5%, so for every 1,000 visitors you make 50 sales. You decide to send 1,000 visitors to each of the letters A, B, C and D. The results are:

<table>
<thead>
<tr>
<th>Headline</th>
<th>Sales (S)</th>
<th>Difference</th>
<th>Sqr (S + C)</th>
<th>Significant?</th>
<th>Conv. Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>A (control)</td>
<td>49 (C)</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>4.9%</td>
</tr>
<tr>
<td>B</td>
<td>43</td>
<td>6</td>
<td>9.6</td>
<td>no</td>
<td>4.3%</td>
</tr>
<tr>
<td>C</td>
<td>53</td>
<td>4</td>
<td>10.1</td>
<td>no</td>
<td>5.3%</td>
</tr>
<tr>
<td>D</td>
<td>61</td>
<td>12</td>
<td>10.5</td>
<td>yes</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

Here, Headline A produces 49 sales (slightly lower than expected). Headlines B, C and D produce 43, 53 and 61 sales respectively.

The third, fourth and fifth columns use the Significance Rule Of Thumb to determine whether the variation is significant when compared with the original control (Headline A). The sixth column shows the actual conversion rate of each headline.

We see that Headline D produces an improvement that is **significant**, and it increases the conversion rate from 4.9% to 6.1%.

A couple of things to note about this example. Even though we said at the outset that Headline A had a 5% conversion rate, in our actual test it produced at 4.9%. This is to simulate the real world, where it's not possible to predict things with **absolute** accuracy - chance and other uncontrollable factors will always play a part. In this test it slightly underperformed, but another test might have it
outperforming more than would be expected. This is always something to bear in
mind when dealing with statistics of any kind.

Second, each of the variations (B, C and D) are being compared with the control
(A), not with each other. We're trying to find the one that beats the control the
most, so when calculating significance, you must calculate it between the control
and each variation independently.

Third, an improvement from 4.9% to 6.1% might not sound like much, but in this
example we've gone from 49 to 61 sales.

Let's translate that into real money. If our product sells for $100, we've gone
from selling 49 x $100 = $4,900 worth of product, to 61 x $100 = $6,100... an
increase of $1,200 - and we haven't had to spend any more money!

Whenever you run a simultaneous split test, it's important to get data that will be
statistically significant. This is why it's useful to know what your conversion rate
already is, so you can work out how many visitors to send to each variation.

If you don't know your conversion rate, then you should run the test until you get
a pre-determined number of actions. In our example here, we had a total of 206
actions (in this case, sales). I aimed for 1,000 visitors each simply because I
already knew that Headline A converted at about 5%, which would generate
about 50 sales. I was aiming for 50 actions per variation.

If I didn't know the conversion rate of Headline A, I would simply aim to get 50
actions for each letter. Since we were testing 4 letters in total, that means I'd
need to get 200 actions, and so I'd send whatever traffic was necessary to get
that number of actions.

Obviously, if my conversion rate was a lot lower, I'd need a lot more traffic. For
example, a 1% conversion rate would mean that to get 50 actions, I'd need
5,000 visitors. So to conduct an A/B/C/D test, I'd need at least four times this
amount, or 20,000 visitors!

Don't worry if you're a long way off getting this amount of visitors to your site. In
a later chapter, I'll show you what to do in these situations.
2.16 Testing on a proportion of your visitors

One of the problems with conducting a test on all of your traffic is that, if a particular variation significantly reduces your sales, it's going to cost you money (in the form of lost sales) just to conduct the test.

For instance, let's say your control letter currently converts at 2%, and you're making 1,000 sales a month. You conduct a split test, where the control (letter A) converts at 2%, and the variation (letter B) lowers the conversion to 1%. If you run this test for a month, over all your traffic, your sales will drop to about 750 for that month - a loss of 250 sales!

One of the ways to minimize this loss is to keep the testing time down to the minimum. However, another way is to test on a proportion of your traffic.

That's how mail order companies work - they conduct a test on, say, 5% of their mailing list. When the results come in, they mail the winning letter to the other 95%.

You can do the same with your Internet split tests - depending on how quickly you can get a sample that will generate significant results, you can test on a proportion of your traffic.

2.17 Split testing tools

I could list all of the split testing tools I know of, but chances are, it might become outdated in a year or two. So instead, I'll list them on my site, along with their relative advantages and disadvantages, and you can decide which tool is right for you.

[Click here for split testing tools.]

2.18 The advantages of split testing

Although there are other testing methods available to you (which we'll discuss in the next chapter), there are many benefits to split testing.
First, it's the *simplest* method of testing, and can be set up very quickly. As you saw in the last section, there's lots of free or low cost split testing software out there. So if you're not completely happy with your headline, you just think of an alternative, and run a split test using some software.

Second, the results of an A/B test are usually pretty unambiguous once you get statistically significant results - you go with whichever performs the best.

Third, you don't need that many actions to get significant results. As I showed earlier, if you can get 100 actions and a 45/55 split or better, then you have significance (although there's always a risk of the results reversing, especially at smaller sample sizes).

Fourth, you can test your whole sales process all at once. For instance, you could test different *styles* of sales letter - one using a lot of hype, and one without. This enables you to determine the style that works best for your audience.

### 2.19 The drawbacks of split testing

Split testing is a *great* technique to understand and use. Unfortunately, it has its quite a few drawbacks.

First, it can take a long time to get the desired results. For instance, I said that 100 actions and a 45/55 split determines significance, but if you're measuring sales as actions, and you're only making 1 sale a day, it would take you over 3 months to get these results!

Second, it's a very *linear* process - it only enables you to look at one change at a time. You don't really get a very good insight as to how the different elements on your page interact with each other.

For instance, let's say your first split test tells you that Headline B will increase your sales by 10% compared to Headline A. So you switch to Headline B.

You then run a second test with Picture B (the variation) *reducing* sales by 10% compared to Picture A (the control).
You'd probably not consider using Picture B, since it appears to be reducing sales. However, what if the combination of the original headline (Headline A) and the new picture (Picture B) were to increase your overall sales by 30% or 40%?

With split testing, you'd never have discovered this, because you've already abandoned the original headline!

This is probably the biggest drawback of split testing. There is a solution, but it involves using a different kind of test, as we'll discuss in the next chapter...

3

Multivariate and Taguchi Testing

3.1 What is multivariate testing?

As we discussed in the last chapter, split testing can be a time-consuming process. First, we could test a headline. Then, when we find a winner, we might move on to the opening paragraph. Depending on our sample size, our tests could drag on for weeks or months.

It would be ideal if we had a way of testing several elements at the same time, and so cut down on the length of time it takes.

Besides, as mentioned before, one of the big drawbacks of split testing is that it doesn't really tell us how each element affects one another. In reality, each element of your sales letter is part of an organic whole.

You might independently test the headline, and find one that performs really badly - so you don't use it. Then you test your offer, and find one that does really bad - so again, you don't use it.
What if the combination of the seemingly bad headline, and the seemingly bad offer, would have actually sent your orders through the roof? With standard split testing, you'd never know... because you'd have *already* rejected the bad headline!

This problem is solved with **multivariate testing**. Multivariate testing is a fancy word for a testing method that enables you to test *several elements* at a time, and to see which *combination* of elements works best.

### 3.2 Mix n' match testing

Let me give you an example of how it works. Again, don't worry about the technical aspects for now... it can all be automated, as I'll show you in a little while.

First, as with split testing, you select elements of your site that you want to test - let's say, your headline, your call to action, and your price. With multivariate testing we're going to test all of these elements *at the same time*.

You then come up with variations for each of these elements.

So, for the **headline** you might have the control (your existing headline) and two variations:

**A. Discover The Secrets Of Incredible Beauty**

... might be your *control* headline, and you come up with two alternatives:

**B. Incredible Beauty Secrets Of The Top Models**

**C. What If You Could Look Like *This* Model...**

For the **call to action**, you might have the control as...

**A. Order Now!**

... and you come up with two variations,
B. Buy Now.

C. Click Here To Start Looking Beautiful.

With the price, your control might be...

A. $47

... and you decide to test the variations,

B. $67

C. $97

So in this example we're testing 3 elements, each with 3 variations.

Your traffic is then split between different combinations of these elements. In this instance, there are 27 possible combinations that your visitor might see (3 x 3 x 3).

To work out how many possible combinations there are, you take the number of variations in each element, and you multiply them together.

So if you had 5 elements, each of which had 2 variations, you would have...

2 x 2 x 2 x 2 x 2 = 32 combinations.

If you wanted to test 3 headlines, 5 calls to action, and 2 prices, then you would have...

3 x 5 x 2 = 30 combinations.

The number of combinations can grow very quickly. For instance, if you wanted to test 6 elements, with 3 variations each, that's...

3 x 3 x 3 x 3 x 3 x 3 = 729 combinations!

Quite frankly, you're going to need a lot of measurable actions to get any
significant results from 729 combinations!

I'll discuss what is the best strategy for your site shortly - at the moment, I want you to fully understand how multivariate testing works.

### 3.3 How to pick a winner

I went into a lot of detail about the mechanisms of split testing (such as how to determine significance), partly because the same principles apply to any methods of testing - and multivariate testing is no different in that regard.

Testing is like a marathon, except that the winner is the one that can run the furthest. With a split test, there are two runners, and the winner is the one that converts the most (i.e. generates the most actions).

With multivariate testing, there are many runners. For instance, if you're testing 3 elements with 3 variations, that's $3 \times 3 \times 3 = 27$ runners. The winner is still the one that can run the furthest. Think of it as a split test over 27 letters!

Here's a screenshot from Google's Website Optimizer tool, which gives you an idea of how a multivariate test would work:
We can see that there are several combinations trying to beat the original. In this screenshot, the “original” combination (the control) is converting at about 31% (the Estimated Conversion Rate Range column), while Combination 11 is currently at nearly 39% conversion.

The Chance to Beat Original column shows the likelihood, expressed as a probability, that a particular combination will be more successful than the original combination. At 95%, you can be 95% confident that this combination will be an improvement. When this statistic goes over 95%, the bar goes green - it means the combination is a very good candidate to replace your original content.

Google Website Optimizer also has a handy Chance to Beat All column, which shows the probability of a particular combination beating all the others.

Basically, just remember that a multivariate test is similar to an A/B test, it's just that instead of splitting your visitors over two pages, you're splitting them over each combination, which for a test of 3 elements with 3 combinations, is $3 \times 3 \times 3$ or 27 pages.

So if one of these combinations is your original, you're essentially testing this
against 26 variations.

### 3.4 The advantages of multivariate testing

If you have lots of traffic, the biggest advantage of multivariate testing over split testing is *speed*. With split testing, you test one element at a time, but with multivariate testing you're testing multiple elements simultaneously, which means you can get results quicker.

For instance, Stamps.com tested seven different elements of their landing page, including the testimonial (whether to include one or not), bullet points (three vs six bullets), and different calls to action. They were able to determine the winner in less than two weeks. “It really doesn't take more than a couple of weeks in most cases,” said Sebastian Buerba, marketing director of Stamps.com. “In direct mail that would take you forever, and the cost would be huge.”

Incidentally, they had also conducted an A/B/C/D test (an extension of an A/B test, but with *four* different versions) to determine the most effective design for their landing page. “Everybody thought version D was the worst one, and it ended up being 13% higher [in registrations] than the control,” Buerba said.³a

(Yet another example of why you should put things to the vote of your customers, as determined by their actions.)

Here's another advantage: with split testing, you're testing one change at a time, which means you might be more cautious as to what to test. You only want to pick winners, after all. With multivariate testing, you're more likely to test your weirder and wackier ideas, because *you can test as many changes as you like*.

Thirdly, with multivariate testing you can actually see how different elements interact with one another.

Google's Website Optimizer site gives a great example of where this information might come in useful:
A primary advantage of multivariate testing is that you are not simply testing the effectiveness of each individual variation, you are testing how well a combination works together (or not) to improve performance. For example, visitors to your mountain bike product page might really like the picture of a biker careening off a cliff - except when it is coupled with the also popular headline "SMASHING!!". The best combination turns out to be the careening biker photo with the headline "Push the Limit!".

It is also very useful to identify which elements on your page most influence your visitors. Multivariate testing looks at which sections [elements] result in the most extreme reactions between variations. For example, you might discover that your page gets the same conversion rate no matter which headline version is shown, but that visitors’ reaction to the image varies drastically. This information helps you concentrate on the most important aspects of your page. 

In other words, with multivariate testing you can see which particular elements have the biggest influence on conversion. As we saw in the chapter on split testing, you want to find hidden elements that have the biggest impact - multivariate testing can quickly draw these out.

3.5 The drawbacks of multivariate testing

However, there are also disadvantages to multivariate testing, which is why it's not always the best solution for you.

First, one of the big drawbacks is that you need a lot more data than in a simple A/B test to get results that are statistically significant.

For instance, here's how marketingexperiments puts it:
Consider a hypothetical multivariate test that has five variables with three values each. There are 243 possible composite pages built from these elements. It may take 100 or more conversions to each of these pages to generate the most trustworthy results. If your conversion rate averages 5%, it would take 486,000 visitors to generate accurate results under these conditions. 

Even in a more modest test of 3 elements with 3 combinations (i.e. 27 combinations), you'd need 2,700 actions to generate accurate results - and if your conversion averages to 5%, that's about 54,000 visitors.

So unless you can get a large sample of actions very quickly, you may be better off with split testing, until you're getting more visitors. Later on, I'll talk about what to do if you have a low traffic site.

Second, a multivariate test requires more creativity. For instance, if you're going to test 2 new headlines, 2 order buttons and 2 calls to action against your originals, then you'll need to come up with 6 variations - in a basic A/B test, you only need to create one alternative.

Third, there is the possibility of a cancellation effect, where one element negates another. For instance, in the example Google used, it might turn out that the “SMASHING!” headline might be best for your site, but any image of a biker might cancel out the effects of the headline. You'd never know this if your combinations all included the use of a biker image.

One way of testing this is to have one of your element variations as a blank - without the element at all! So for the image element, you might use the current image as the control, a different image, and no image at all. This enables you to see whether having any image is an improvement or not.

James Brausch has this to say on testing against blank:
I personally load up every paragraph and every picture and every other element into MuVar [his multivariate testing tool] and test it against nothingness. That’s the only true way you will absolutely know if any particular paragraph is actually selling... or driving away potential customers.

The result is that most of my paragraphs lose against nothingness. My 10 page sales letters automatically shrink to just about 1.8 printed pages automatically as the multivariate tool stops showing unprofitable paragraphs. Imagine that.

3.6 Taguchi testing

In the 1950's, Dr Genichi Taguchi developed a system to improve the efficiency of automobile manufacture, particularly in developing test models. His system enabled the manufacturers to determine the combination of car components that would work best together, without having to manufacture a test model for every single combination.

More recently, this “Taguchi method” has been used in direct marketing and on the Internet - called Taguchi testing.

Here is Google's slightly technical take on it:

A similar type of experimentation is the "fractional factorial" model. Taguchi, orthogonal arrays, and other similar types of experiments are special cases of fractional factorial experiments. Fractional experiments are designed to limit (often severely) the number of combinations tested. In real world industries, such as industrial or agricultural, each combination tested carries a significant resource cost. However, the
benefit of reducing combinations comes at the cost of limiting the conclusions that can drawn from the experiment.

In web site experiments, however, there is no cost to adding additional combinations, which means there's no downside to using a full factorial design. With the same number of impressions, a full factorial design will reach the same conclusions as a fractional design, and—as the number of impressions increases—can yield deeper conclusions. In particular, with full factorial design, you can learn about interactions among factors, such as whether a specific text block influences the performance of a specific image.  

Let me translate that into something that we can all understand better: the main benefit of Taguchi testing is that it can drastically reduce the number of combinations that are tested.

In a traditional multivariate with 3 variations of 3 elements, that's 27 combinations you'd need to test. The Taguchi method reduces the number of these combinations down to 8. It also means you only need a smaller sample size.

Google, however, point out the drawbacks of Taguchi testing. Since multivariate testing is a test on every possible combination, it “can yield deeper conclusions”.

Plus, with multivariate testing “you can learn about interactions among factors, such as whether a specific block influences the performance of a specific image.” It's harder to do this when we've limited our testing combinations down to 8 instead of 27.

Now, I'm not even going to attempt to give you an indication of the maths behind Taguchi testing. I have a maths degree, and even I find it complicated!

Fortunately, you don't need to have a clue as to the mechanics behind it,
because any software that enables Taguchi testing will do it all for you.

Just remember that Taguchi testing can drastically reduce the number of combinations you need, but at the expense of possibly missing out on a winning combination that can't be deduced from mathematical models.

Click here for resources on multivariate and Taguchi testing.

# 4

## What To Test

Opinions are like noses. Everybody has one. Just remember that what you're about to read in this chapter is *opinion* mixed with *examples* that may (or may not) work for you. I've tried to be as balanced an neutral as I can, but remember - *my* opinion is always subject to being proved wrong in *your* case by *your* test results.

### 4.1 What to test

In this special report I can't show you *all* the techniques you can use to boost your conversion rate, but I can give you several pointers on what to test, and what's likely to have the biggest impact. Testing and optimizing isn't just about tweaking a headline or a paragraph here and there - it's about getting the most out of *every* aspect of your sales process.

However, in this particular chapter I'm going to focus on selling via a website. I'm going to assume you're using some kind of a sales letter, although many other selling models are available to you, and the principles you'll read below apply to many of the other models as well - but the sales letter is quite a common model,
since it has such a good track record with direct selling, which has the tradition of effective testing and tracking to maximize sales.

YOUR HEADLINE - THE HOOK THAT BAITS THE FISH

The late Corey Rudl, one of the earliest and most successful internet marketers, quickly discovered the incredible importance of the headline in one of his earlier campaigns:

“The headlines I tested were for my book, 'Car Secrets Revealed'” says Corey. “When we first launched the product, we made the mistake of assuming that people would purchase the book to save money on their overall car expenses. Our classified ads and banners reflected this assumption and read:

“Money Saving Tips on Car Buying, Leasing, Repairs and Insurance Reduction Tips”

After launching his book, he surveyed his customers, and was surprised to discover that 73% of them had brought it because they wanted to learn how to buy a new car at $50 over dealer cost.

“Only 40 of the 211 pages in the book were devoted to buying a new car, but after learning this I changed our headlines and banner advertisements to read:

“How To Buy A Car At $50 Over Dealer Cost”

“Once I did this, the sales increased by over 300% in 48 hours! The crazy thing is, had we not been testing, I never really would have understood why our sales jumped so dramatically. It was because of that one, simple headline!”

No wonder Corey became a testing and tracking convert. He said: “The fastest way to skyrocket your sales is by testing. Try something different ... experiment ... and track your results!”

Note that Corey didn't say the fastest way to skyrocket your sales is by getting more traffic, or by building a bigger email list, no matter how important these factors are. According to Corey, the fastest way to skyrocket your sales is by testing. And how difficult is it to change a headline, anyway?
There's another important aspect of this example - Corey got feedback from his customers. Feedback is the other essential ingredient of optimizing your site, and we'll discuss it in more detail later. It might sound obvious to get feedback, but I'll show you exactly how and when you can do this for best results.

Jay Abraham, in his book *Getting Everything You Can Out Of All You've Got*, talks about an insurance company that tested two different headlines:

“Auto Insurance At Lower Rates If You Are A Careful Driver.”

“How To Turn Your Careful Driving Into Money”

The first headline was 1,200% better.\(^1\)

Now, just stop... and think about this for a moment. Had they simply decided to run with the second ad because it sounded clever and some marketing executive got a kick out of writing it, how many sales would they be losing, each and every day?

Let me put 1,200% into some perspective for you. A 100% improvement means 2 times as many sales. So a 1,200% improvement means 13 times the number of sales.

In other words, if the second headline produced 100 sales, then the first headline would produce 1,300 sales!

Is your headline merely clever? Or is it the one that's converting best. If you haven't yet tested, isn't it about time you did?

Here's a few more examples:

In his article “Secrets Of Successful Sales Letters”, Renae E.Gregoire tells of a resort in the Berkshires that ran a full page ad with the headline: “Feel pleasure in places you never knew existed.” It generated over 97% more enquiries and converted 50% more of those inquiries into sales than their previous headline, which was: “New life form discovered in Massachusetts.”\(^4\)

Even a single word change can have a profound effect. Joseph Sugarman, the
author of “Triggers”, recalls a time when he changed just one word of an ad, and responses doubled.

Kevin Gold of searchmarketingstandard.com tested several benefit-focused headlines for one client, and split-tested these headlines against very simple ones like presenting only the keyword used in the visitor’s search query as the headline. To their surprise, the simple headline that used only the keyword query outpulled all of the benefits headlines! \[\text{4b}\]

Why am I giving you all these examples? Because I want you to get this and really grasp the point - which hopefully you already do by now - that even changing something as simple as your headline can have profound effects on your bottom line... and it’s almost laughably simple to do!

And yet the sad fact is, probably something like 90% of those selling on the Net will never bother to test, or they do it in some haphazard fashion.

Instead, they'd rather read the latest theory on search engine optimization, or driving crazy amounts of traffic to their site, without ever bothering to optimize their own site for maximum conversion.

Hopefully if that was you, this special report has given you a different perspective.

Now, you can write what you think are killer headlines, but until you put it to the vote, you just don't know for sure what will work best. Jay Abraham refers to another insurance company that tested these two headlines:

“What Would Become Of Your Wife If Something Happened To You?”

“Retirement Income Plan”

Which of the two do you think would sell better? The first headline...

... sounds like a clever one, doesn't it? The second one pulled 500% more than the first. So put it to the vote - don't second guess your potential clients. \[\text{1e}\]

**Key Point:** The headline is the “hook” that grabs your visitor's attention, and therefore is almost certainly the single most important element of your sales
letter. If you don't grab their immediate attention with your headline, you've probably lost them.

So dig for your best headline like you were digging for buried treasure, because your biggest and best profit-boosting hidden element will nearly always be found in the headline.

"There are no answers in direct mail except test answers. You don't know whether something will work until you test it. And you cannot predict test results based on past experience." - Eugene Schwartz, Author: Breakthrough Advertising

Resource File: Speed Up Your Headline Selection With Copy Scoring

Copy scoring enables you to compare your headlines, sentences, ads or any other copy with a database of tens of thousands of profitable or unprofitable ads, enabling you to score your own ad copy against this database for profitability.

Michelle MacPhearson of tubeinator.com put several headlines she’d written through a copy scoring program, and then conducted a split test of these headlines on her site. The program was spot-on, and predicted the most effective headline.

I'd recommend copy scoring as a way of reducing the size of your tests, and therefore the length of time it takes to test. For example, you could write several alternative headlines, and then get a copy score for each one, and use the top 3 or 4 in a multivariate or split test.

Click here for more details about copy scoring.

THE “CLASH ZONE” - NO LOITERING!
Your visitors are on a mission, a *quest*. If they feel you don’t help them on their journey, they will move on. After all, there’s always the next listing on the search engine, or your competitor’s site.

From the moment your visitor enters your site, you are on a timer. You have about X seconds to grab their attention, and hold it long enough that they continue reading - or else you lose them. *It’s as simple as that.*

Now, neither I nor anyone else can say for definite how long X is for your site and your visitors. It could be 10 seconds; it could be 30. It depends on each visitor and how long they’re willing to give you.

If they know you, they may give you more time. If not, you can be pretty sure those X seconds will be short, and *will* be measured in seconds.

If you haven’t “hooked” them within those X seconds, then you’ve lost them. They will leave your site and probably won’t return.

(Oh yeah, you can throw them a pop-up as a last ditch attempt to regain their attention, but if this desperate pop-up is doing better than your first few paragraphs, why aren’t you using the copy you’re using in your pop-up in the actual sales letter?)

So your first few paragraphs are just as critical as your headline, because it’s during this point that your visitor will suddenly hear the lyrics of that Clash song in their heads (remember this one?)

> “Darling you gotta let me know  
> Should I stay or should I go?”

(Obviously it helps if you can hear the electric guitar to go with these lyrics.) In other words, it’s somewhere within these first couple of paragraphs that your visitor will make a decision whether to read on, or click away - “Should I stay or should I go now... yeah, yeah.”

Now, just for fun, I call this area of your site “The Clash Zone”. (And you’ll always remember this name, now, won’t you?) Just think - every time you write the first few paragraphs of a sales letter, you’re going to hear this song in your head like
you can hear it right now, playing right there, over and over again, until you realize that this song that you hear is telling you something important...

... its telling you that, while you have this song in your head, this is the same song that will be playing in your visitor's heads at the same point. (Maybe not the same song, but the sentiment will be there.) Should I stay or should I go now?

Of course, you want them to stay. And you can only get them to do that if you give them a good enough reason to stay.

That reason is your copy - your words.

Please don’t consider what I’m saying here to be trivial. There’s a reason I’m devoting so much space to this part of your sales letter. It’s because I know of sites that have doubled, tripled and even quadrupled their sales simply by re-writing the first few paragraphs of their sales letter. And it’s quite possible that you could do the same.

This is because The Clash Zone is where the decision is made, the decision to stay or go. In other words, someone's unlikely to make up their mind to buy from you, if they've already left your site.

Now, there are some pretty awesome little devices you can use in this Zone (and, in fact, throughout the rest of your letter) to compel your visitor to read on, and I’d like to share them with you. I call them propellers. Try using them yourself, and see if they work for you.

Take a look at one of the earlier versions of the sales letter I used to sell this special report, and see if you notice how many propellers I use:
Discover the Hidden Elements on Your Website that could Increase Your Profits by 1,000% or More...

- it will cost you practically nothing and you could see results in as little as 48 hours.

Special Report by Paul Hancox

OK, you’ve probably heard claims like that before. Well, give me just 3 minutes of your attention and I’ll prove it to you right now...

Have you heard of any of these people? Jay Abraham, Mark Joyner, Terry Dean or Corey Rudl? If you have, you’ll know they are ranked among the world’s top marketers...

And yet, they didn’t start out like that - but they made a discovery early on that propelled them to success. It’s that...

... small changes can have profound effects on your bottom line!

(You’ll see just how profound in a moment...)

Now, let me tell you about some of the devices (propellers) I’m using to compel people to read on.

- **Pacing.** You’ve probably heard claims like that before. I know this sounds crazy. I know you’re probably skeptical. This is called “pacing”. It’s basically acknowledging what your visitors are likely to be thinking and experiencing at the time. I usually use pacing right after I make a powerful (but as yet unproven) assertion. Pacing builds rapport with the reader, which is important if you want them on your side. You can then follow these with a forward pointer, as you’ll next see.
Forward Pointers. Let me prove it to you... You’ll see what I mean in a moment...Just think about this. These give the reader a reason, a motivation for reading on, even if it’s just to the next sentence. In a moment I’ll give you more great examples of this, but in the meantime, have you seen this next one before?

Forward Questions. Have you heard of these people? What do you think of this? And the classic, Do you make these simple mistakes in English? Each of these questions is referring to something that follows it. So you have to read past the question to know what it’s referring to, and thus to get the answer.

If the question is one you’re going to answer, you don’t have to provide the answer immediately. Encourage them to read further to get the answer a little way down, by using a forward pointer. What is the best way to do this? I’ll give you the answer shortly. However, make sure you do answer the question at some point! Now, what do you think of this next one?

Periods vs triple dots. We are, as English readers, programmed to pause our reading after a period. See, you just did it then. We also make especially large pauses after a period at the end of a paragraph.

On the other hand, several dots compel us to read on... it implies a continuity of thought in the next sentence... so your readers almost can’t help but read on. (How quickly did you read the last three sentences?)

Of course, they may not be grammatically ideal (yes, your school teacher would have a fit!), but quite frankly, unless you’re selling to grammar teachers, then getting them to read on is more important than getting them to admire your punctuation (which they won’t do anyway).

If possible, avoid periods altogether - at least at the end of a paragraph. For variety, you can also use...

Dashes and colons. If you don’t want to use “...” all the time, you can use a dash (-) at the end of a paragraph to compel your visitor to read on to the next one -

- and then, start the following paragraph with another dash, to
acknowledge that there is a continuity. (Again, you just can’t help but read on to get the complete thought.)

A colon (:) is also useful when you’re about to prove an assertion (Here’s why:), at the start of a list of items, or just to imply that there’s more. And again, it’s another device to get them to read on.

But there’s more:

- **And, However, But.** Remember at school they told you never to start a sentence with “and”, or “but”? Well, from a copywriting point of view this has to be one of the worst rules ever, because putting “and” and “but” at the beginning of a sentence is a *great* way to get them to read the rest of it!

  And it implies a continuation of the previous thought, so your reader is just going to want to read on, if they’re at all interested by what you’ve said so far. (These things do work! And so do...)

- **Bracketed statements.** When you encounter a sentence and then a bracketed statement, you feel compelled to read the statement in brackets as well. (Isn’t that weird?) So you can make a statement and then tack on another statement in brackets, and virtually guarantee that the second one will be read also. (And anything that draws their eyes further on into your copy is a plus - don’t you think? However...)

- **Not only but also.** This is a great combination to use if you have a couple of points to make, or two or three benefits you want to list. Instead of just listing them, why not use this device. *Not only* will you find that it’s a great opener for a sentence (and grammatically correct too!), *but it also* compels them to read the entire sentence... and *best of all*, you can then tack on a “best of all” to push them even further! (And that can’t be bad, except that you should be aware of...)

- **Short paragraphs and sentences.** While your reader is in The Clash Zone, use short, simple sentences. Save your wordy treatises for the book you’re selling, or the special report you offer on your autoresponder. The last thing you want to do is confuse or bore them while they’re in The Clash Zone. (Not that your writing could ever get boring, you understand!) Now, here’s an intriguing one:
● **Leaving quotes open.** Get this - “Whenever you see an open quote, you’ll subconsciously keep reading until the close quote, just to get the completeness of thought. However, I know of copywriters who will use an open quote at the beginning of their headline, and at the beginning of the first couple of paragraphs and just never close them! If you see this, you know why... it’s not because they’re being lazy!

Now, I use these propellers in my sales copy because *they work.* If you don’t think they will work for you, do a split test (with and without these elements) and see if there’s a difference. I think you’ll be surprised.

Whenever I’m writing a sales letter, I imagine the copy as a *waterfall.* It should flow in one continuous stream, and pull the reader right down to the bottom. (Just don’t drown them when they get there!)

It should have a continuous flow. And that’s what these propellers can help you to achieve. They *compel* the reader to follow along, and at the same time you’re *propelling* them in the right direction - to that “buy now” button!

Now, this special report isn’t really about writing killer copy. But I wanted to share with you some ideas for getting your visitors to read to the bottom.

Remember that a web page is a very *linear* kind of medium. It’s not like a physical letter, where the front and back can be glanced at quickly. When a visitor comes to your site, their web browser will put them at the top of your page, and they have to physically scroll down to read past your first few paragraphs (unless you’re using a very small font!).

So it’s *even more* important than in a direct mail to use these kind of devices, because scrolling down involves *effort.* And so you want to reward every effort your visitor makes, even if it’s just in the form of more compelling copy that they want to read.

(Think of it as dangling the proverbial carrot in front of a donkey. You do it to get the donkey to move. But since your donkey is your potential customer, just make sure you have a huge pile of carrots waiting for them to actually eat at the end -
and don’t call them a donkey to their face!

Now, listen up. What I’m going to tell you in the next several paragraphs is profound, and will sharpen your sales copy immensely - so please pay attention here, if you want to sell more. (You do, don’t you?)

The Clash Zone doesn’t really stop until you’ve clinched the action you desire. It’s true that there are X seconds between when your visitor first enters, and when they decide to either stay, or go. But each time they scroll down, or move on to the next paragraph of your sales letter, they are making another choice. They can leave at any time, but they are choosing to stay and read further.

They are making what I call a **microchoice**. They may not be consciously aware they’re making a choice, but that’s what they are, in fact, doing.

So you must *reward* them for doing so! You must reward them every time they make a correct choice - even if it means they’re just moving to the next paragraph. That’s the correct choice to make at that point - reward them for doing so.

Now, I want you to understand what I mean here. I’m not saying give them a free bonus or gift at the end of each paragraph!

I mean, reward them - by revealing a secret, by giving them a profound or unique insight, by entertaining them, by giving them a piece of knowledge they perhaps didn’t have before, by gratifying them, or by sharing with them an experience you’ve had that they can benefit from -

- in other words, for every correct *microchoice* they make, give them a *microreward*!

If you can do this throughout your sales letter, I can virtually *guarantee* your sales letter will be read!

This is where propellers come in handy. Not only do they compel the reader to go on, but you can also use them to point the way to the rewards.

Here’s another example:
Let me share with you a shocking little secret:

*Did you know that only 20% of women under 30 have ever actually experienced an orgasm?*

And yet, a *few minutes from now* I’ll show you how to give a woman so many wonderful orgasms she’ll be literally *begging* you for more! (That “I’ve got a headache” excuse will never come from her lips again - you’ll get sex just about whenever you feel like it!) Now -

- before I do, let me tell you about an eye-opening experience I had recently:

I’ve just made the above example up for illustrative purposes. I don’t know what the actual figure is, I haven’t had the chance to conduct my own tests (neither split, nor multivariate). Oh, and if you're offended by my example, I apologize... but I also am willing to bet you’ll remember this example much better, won’t you?

But what I want you to notice here is how many *microrewards* are on offer, and the pointers I use to point to these, in just those four lines. How many can you spot?

There’s actually three...

(1) “Let me share with you a shocking little secret” is the reward pointer, and the actual “shocking little secret” is the microreward, which I share with the reader immediately.

(2) “A few minutes from now I’ll show you how to...” is the pointer, although I don't give the microreward for “a few minutes”, to compel them to read on, and...

(3) “Let me tell you about an eye-opening experience I had recently” is the pointer, and the actual experience (not actually given in this example) is the
microreward.

Add microrewards to your copy, especially in The Clash Zone, and ideally in as many paragraphs as possible, and you'll find yourself creating some spectacular sales copy!

Just one more thing about the above example. I said, “a few minutes from now I'll show you how to give a woman so many wonderful orgasms she'll be literally begging you for more! (That 'I've got a headache' excuse will never come from her lips again - you'll get sex just about whenever you feel like it!”

There's one feature, and one benefit here. Make sure you understand the difference between a feature and a benefit!

The feature is that I'm going to show you how to give a woman many wonderful orgasms. (Sorry, that's a different special report!) The benefit to the reader (the “what's in it for me” element) is that she'll be begging you for more, to the point where “you'll get sex just about whenever you feel like it.”

The feature is just what the product does. The benefit is what you'll get from using the feature - “what's in it for me”.

It's fine to point out the features of your product, but you're really selling the benefits.

In fact, I'd go a step further, and say that the best copy sells the benefits by conveying the feelings and emotions your customer would experience from the benefits!

You see, I gave you an illustration using sex because I wanted to engage your emotions. It's been demonstrated that, more often than not, people buy with their emotions, and afterwards they justify their buying decision with logic and reason.

That's why your copy shouldn't just be about features and benefits, because we're selling to people - and people very often buy based on feelings and emotions.

So there's three levels to your copy...
Features. What it does.

Benefits. What's in it for your customer to have that feature.

Emotions. How it will make your customer feel, and what they'll experience when they have that benefit.

As I said, this report is not meant to be a copywriting course, and there's much more I'd like to say, but this isn't the place. I hope the tips I've shared with you in this section will help you to write spectacular copy - but remember, no matter how spectacular you or I think it is, put it to the vote of your customers, and let them decide on it's specularity rating!

“Copy cannot create desire for a product. It can only focus already-existing desires onto a particular product. The copywriter's task is not to create this mass desire - but to channel and direct it.”
- Eugene Schwartz, Author: Breakthrough Advertising

THE CRAZY LAWS OF PRICING

Price is another critical aspect to test, and in many ways it's the hardest one to test.

Jay Abraham, who has worked with some of the largest and most successful companies, admits: “In test after test I've conducted, I've rarely been able to predict which price would prove the biggest seller... I've honestly seen $19 outpull $17 by 300 percent. I've seen $69 outproduce $79 by more than double... Years ago I sold a business course. We tested $295, $395 and $495. $495 outproduced $295 by three times.”

Why do different prices produce such wildly differing results? How is it that a $2 increase can quadruple sales, or a $200 increase triple them?
Quite frankly, there is no simple answer. It's partly psychological, partly down to what we're used to paying, or expect to pay, partly down to how much competition you have, and partly to what demand there already is for your product, or one similar to it.

As you'd expect, the answer is to test. You really don't know what price point will be the most successful unless you test.

You can test different price points to see which level makes you the most profit. For instance, with letter A you might sell 50 units at $49 (or $2,450), with letter B you might sell 45 units at $59 (or $2,655), and with letter C you might sell 40 units at $69 (or $2,760).

The $69 price point actually generates you the least sales but the most revenue. Whether this is the price you actually use will depend on whether you prefer more sales or more revenue.

If you have backend products to sell to your customers, you might prefer to go for increased sales. You'll also have to factor in fixed costs and the cost of having a larger customer base (i.e. more customer support needed) to determine which option is more profitable.

THE ORDER FORM

According to MarketingSherpa.com, the average e-commerce site has a nearly 60% shopping cart abandonment rate. In other words, for every 100 people who start putting items into their shopping cart, only 40 of them go on to complete their purchase!

In a study conducted by BizRate.com and the NPD Group, more than 10,000 consumers were surveyed. Respondents indicated what occurred after they abandoned the shopping cart:

- 39% did not purchase the item at all
- 26% purchased the product from a competitor
- 17% made their purchase offline
- 18% returned to the site to make the purchase at a later time
That means 82% of sales were lost forever when the customer abandoned the order form! 

So you can increase your sales just by reducing your abandonment rate - and that means testing even your ordering process!

If you're using a third-party credit card processor such as Clickbank, then you're not likely to have much control over the order form itself. However, you can still test your own “How To Order” instructions, and find the best wording that gets the sale completed.

If you do have control over the design of your order page, here's some elements you can test:

**Form fields.** How many fields work best? You might think fewer fields are better, but does this mean you're trying to cram more information into the fields that are left, making the form more confusing for the customer?

**Form buttons.** Does “Click here” work better than “Order now!” or “Click for Instant Access”?

**Restating the offer.** Some sites include a summary of what the customer is buying on the order form, along with a reminder of the guarantee. Something like this...

“Yes! I would like to purchase the Super Widget at only $99.95. I understand that my purchase is completely risk-free and that I can return the Widget at any time within the next 90 days for a no-questions-asked refund.”

**Pages.** Some forms gather all the information needed on one page, while others spread it out over several pages. Test to see which is most effective at closing the sale. If possible, track precisely what proportion of customers go from Page X to Page Y of your order form.

**The order you gather information.** Some forms collect information progressively, i.e. they start off gathering the less personal details, then ask for the credit card details at the end. Others start in reverse. Test to see whether this makes a difference.
**Shipping.** Should you mention the shipping prices upfront, or only at the last minute? The answer is to test and find out which works best.

**Price reduction.** I've seen this technique used on a couple of sites, and I thought it would be worth testing. The sales letter mentioned one price, and when you clicked the link to the order form, the price on the order form was lower! I don't have any data on whether it increased their sales or not, but I thought you might want to test it out as well.

**BULLET POINTS**

Most copywriters argue that a good sales letter should have bullet points, a bulleted list of features and benefits. Why is this?...

- Bullet points stand out from the rest of the copy, so if your visitors skim your sales letter (and many of them will), the benefits and features will clearly stand out, and...

- Bullet points are one of the most effective ways of listing and highlighting the features and benefits of your product.

The above is an example of bullet points in action. Bullet points are fun to write when your product has lots of features and benefits, and you should write a bullet point for each one. (Don't forget the emotional aspect, though!)

**Max-Effect** is a company that designs display ads for yellow pages. They were getting a good amount of traffic, but the traffic weren't turning into leads. They were getting about 6 leads a month. A conversion consultant company called **FutureNow** helped them raise that to an average of 37 a month - a 600% increase.

Several elements on the site were re-written, including the bullet points. The old ones were:

A Custom Designed Yellow Page Ad by MaxEffect Will:
Maximize your readership, phone calls & sales... 24 / 7 / 365
Save you money... Using the most cost-effective sizes & colors
Save you time... Minimizing YP sales rep calls & DIY struggles
Eliminate Yellow Pages frustration, doubts & deadline worries
Nullify your competitors... Letting you dominate your classification

Although these were a good list of benefits, they were too generic. They were replaced with more precise examples of what Max-Effect would give their clients, i.e.

Your potential customers will...

- Be **drawn to your Yellow Page ad** more strongly than any other advertisement in your heading.
- Be engaged by your Yellow Pages ad so they **read it entirely**!

So remember to test your bullet points as you would every other element, to find the combination and wording of bullet points that works best.

**LENGTH OF COPY**

So which is better - long or short copy? The short answer is, there is no answer. A better answer is what Abraham Lincoln was rumoured to have said when asked how long a man's legs should be.

“A man's legs should be long enough to reach the ground.”

In marketing terms, a sales letter should be long enough to do its job. And then it should stop talking.

James Brausch conducted an informal study of the size of the average sales
letter on the Internet and found it to be only 2.2 printed pages long (based on his Epsom printer).

As a regular multivariate tester, he often tests individual paragraphs against a blank, i.e. nothingness.

“The result is that most of my paragraphs lose against nothingness. My 10 page sales letters automatically shrink to just about 1.8 printed pages automatically as the multivariate tool stops showing unprofitable paragraphs. Imagine that.”

By contrast, I already showed you where Ken Evoy of site-sell.com conducted a test in which his long sales letter outperformed his short one by 5%.

In the end, I'm going to repeat what you've heard me say a few times already. You must test, test and then, just for good measure, keep testing.

YOUR GUARANTEE - “OR WE'LL BULLDOZE YOUR HOME!”

Whenever your customer purchases from you, they are taking a risk. After all, you've just taken their money! Reversing as much of this risk as possible is a proven way of increasing your sales. This is where your guarantee comes in.

You could test a 30, 60, 90, 360 day or even a lifetime guarantee to see which pulls best. Jay Abraham states that “usually a sixty-day guarantee will outproduce a thirty-day guarantee by 20 to 100 percent... a full year or even longer usually beats sixty or ninety days.”

Why is this usually the case? The longer you extend the guarantee the less risk there is for the customer. And the lower the risk, the more likely they are to buy. Second, the longer you extend your guarantee, the quicker it's out of their mind! (If they have only 30 days they are going to make a decision about your product much quicker.) Third, it adds to your credibility. After all, if you're offering a 1 year guarantee, your customers might be thinking: “The product must be really good, or the owner is very stupid!” And, if you're successful, they're going to eliminate the latter option from their mind.

You can also test “better than 100%” guarantees. Marlon Sanders frequently uses a “Triple Your Money Back” guarantee - and he's one of the most
successful and respected marketers on the Internet. Clearly it's working for him!

Consider also how you phrase your guarantee. After all, a strong guarantee is actually one of your product's biggest benefits! So you want to “sell” it like you would any other benefit. And the more specific you are with your guarantee, the better it will generally work.

For instance, let's look at a guarantee I see quite often:

“Satisfaction guaranteed after 30 days or your money back.”

What exactly does this mean, anyway? What is “satisfaction”? How do you define it? How would I actually go about getting my money back? How easy will it be for me to do this?

Here's a guarantee that would really grab my attention:

“Try my product for a full 90 days, and if it doesn't do exactly what it says on the box, or if you haven't been able to [whatever the product's supposed to do], email me personally for a full refund. No hard feelings and no questions asked!”

Offering a longer and stronger guarantee might make you nervous. The key is to have a good product in the first place, and then simply live up to your promises. Offer the quality you promise in your sales letters, and the extra sales will more than make up for any increase in refunds you might get.

But as I said, tests usually show that your refunds often decrease, because you're increasing your customer's trust in you.

For any refund requests you do receive, give a refund with the same enthusiasm as you would receive a new customer. You wouldn't believe how many experiences I've read of customers who requested and received a courteous refund, and then go on to spend hundreds of dollars with the same company, simply because they were treated respectfully, courteously and honestly. The product may not have been for them at the time, but they are much more likely to buy from you in the future if you treat them right!

Finally, if you're still hesitant about offering a strong guarantee, one builder in the United States reportedly offers this guarantee:
“If you’re not totally delighted with the design and quality of your new home after we’ve built it, we'll bulldoze it and start again!”

Now, if he can come up with - and honour - a guarantee like that, surely you can come up with something a bit more powerful than, “Satisfaction guaranteed, or your money back.” Don't you agree?

Incidentally, the builder has never yet had to call in a bulldozer. How has he achieved this? By working with the customers at each stage of the building process, so that problems could be rectified before it reached the stage where it needed to be knocked down!

Most of his business comes through referrals from happy customers!

As with everything else, test different guarantees, including length of time and wording. Tracking each sale is critical here, so that you can ensure you’re honouring the guarantee your customer saw when they first visited your site.

I know I've said it already, but it's well worth repeating:

* **A strong guarantee is one of the biggest benefits you can offer your customer.**

So why be shy, and hide the guarantee at the bottom of your sales letter? The moment they discover you're selling something, why not let them know their purchase is risk-free, as soon as possible?

Experiment with different locations for your guarantee - at the bottom, near the top, and in the middle of your sales letter, and see if this makes a difference.

**TESTIMONIALS**

It's almost universally acknowledged that genuine testimonials from happy customers will increase your sales.

When a visitor first comes to your site, they might know nothing about you. In which case, you have to *prove* to them that you're credible, reliable, and that it's safe to do business with you.
The most common type of testimonial is from a happy customer, although you could also obtain these from experts in your field, such as scientists.

**Use full names, title and web address or location if possible.** A testimonial from “John Smith, President of John Smith Enterprises, Inc. of Illionois (johnsmithenterprises.com) is much more powerful and credible than “J Smith from Illionois”.

**Get your customer to be specific about results.** A testimonial that says, “I tripled my sales in under 90 days because of your product!” is more effective than, “We did better thanks to you.”

**Include photos, audio and video if possible.** A photograph of the customer adds additional credibility to the testimonial, as does audio and video. The more real these customers appear, the more credible they will be.

Again, test *how many* testimonials work best, and the *best place* to locate them on your site. Don’t necessarily assume that more testimonials will increase your sales - I've seen examples where too many of them have killed sales, because the letter becomes too long!

Consider locating relevant testimonials at strategic places in your sales letter. As a great example of this, I've even seen a testimonial right next to a site's guarantee, from a customer that requested a refund! It went something like this: “I asked for a refund because our company simply didn't have the time to make use of the software, but I have been very impressed with the courtesy and promptness of your refund. I will be keeping you in mind for future projects.” What a clever testimonial, when you stop and think about it!

**DEADLINES - FOR THE NEXT 24 HOURS ONLY!**

Deadlines are useful for creating *urgency*, and for compelling your visitors to buy *now*, rather than later.

When your local store launches its January sale, you know it's not going to last forever. The closer you get to the end of January, the more urgent the offer becomes.
You can create deadlines on the Internet, too. For example, MarketingExperiments.com ran a test with their own certification course. They offered a $100 saving on the full price for anyone who registered and paid before a certain cut-off date. They promoted the offer towards the bottom of the page, within the sign-up box, and they also sent out an email promoting the offer on the morning of the day the offer expired.

There was an average of about 1.5 sales during the first 20 or so days, and then sales increased by over 900%, to an average of about 12 a day, during the 3 days before the deadline. Sales jumped significantly on the day they sent out the email announcing that the early enrollment was about to expire. The other large increase in sales took place during the final few days before the course itself began. 

**Dynamic Deadlines**

Back in March 2003 I invented what are called **Dynamic Deadlines™**. These are *real, personal* deadlines that start the moment a visitor enters your site. You can say something like, “Buy this within the next 1 hour and you can get a discount of $X” (or a free bonus, etc.)

Your site “remembers” the time and date on which each individual has arrived, and then can display how much of the deadline is left. So if they come back 10 minutes later to the page with your deadline on it, they will see: “Buy this within the next 50 minutes...”

Once the deadline expires you can display different content on the same page, such as pointing them to a higher priced link. You can even give them another deadline! They are much more likely to believe this next deadline once they've seen the first one expire right in front of their eyes!

One of the reasons I created **Dynamic Deadlines™** was because too many of the deadlines I saw on the Internet just weren't real.

Too many people were saying, “Hurry - buy now before we decide to raise the price!” - even though, in many cases, the price simply *didn't* go up.

Then there were sites that said, “This offer lasts until midnight of January 30th”.

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However, the deadline always seemed to be midnight of the same day on which you happened to visit the page. Return the next day and you'd find that the deadline had “magically” moved forward by 24 hours.

It's a simple trick that uses “Javascript” to display today's date. The problem is, if you return the next day, the so-called deadline loses its credibility.

Dynamic Deadlines™ address these problems because, not only are they real - you can increase your price automatically, the longer they delay - but they are also personal, in that your visitor's deadline starts the moment they enter your site.

Whatever type of deadlines you decide to use, there's plenty to test. Your control could be a site with no deadlines, then compare with different types of deadline, and different lengths of time. You might find that a 1 hour deadline performs better than a 2 hour or a 24 hour one. The only way to tell is... can you guess, yet?

**SCARCITY - ONLY 5,000 AVAILABLE!**

Scarcity sells. Go to any action and prove it yourself. People will pay thousands, even millions, for a rare stamp or a Picasso - just look at how many people are competing to buy these things.

You can use this phenomenon to boost your sales, and even to increase the price of your product.

For instance, you could limit a bonus or discount to a limited number of people. “The first X people to buy get $100 off”. Make sure your visitors can see exactly how many have been sold so far, and how many are left in your special offer. (You can use the Dynamic Deadlines software to do this.)

MarketingExperiments created 5,000 copies of a DVD for one of their clients, The National Alert Registry (NAR). The video was offered to NAR subscribers at no charge, although they were asked to pay for the shipping and handling.

In the first email they sent out, they made no mention of the 5,000 copies. From this first email, they shipped 14 copies.
In the second email, they stated that there were only 5,000 copies available, and suggested that people get their copy before all were gone, creating the sense of urgency. They were careful not to state that once they were gone, they would never be available again, because this wasn't true. If more than 5,000 people wanted a copy, they would find a way of producing more.

The second email with the mention of the 5,000 copies resulted in 768 DVDs being shipped – a 508% increase in the conversion rate, compared to the first email.

PICTURES AND GRAPHICS

Terry Dean conducted a multivariate test on a “squeeze” page, designed to convert visitors into subscribers. He tested headline, main picture, page length, and the position of the subscription box.

He was surprised to discover that the biggest variation occurred with the picture he used.

"A key principle to the picture testing was the “caption” that runs under the photo (you should almost always have a caption on any photo you use on a sales page). The winning picture gives the feeling of “freedom” in my opinion, and this may be why it was the winner... the biggest change came from the picture... which surprised me a little. It blew the headline and page content out of the water when it came to results."

You should also test a variety of pictures and graphics. General Electric ran two similar ads in a split test. On the one, they used a picture of a smiling baby. On the other, they used a woman putting one of their lightbulbs in a lamp. The ad showing the woman using the product outpulled the one with the smiling baby by 300%.

NAVIGATION LINKS - AND A HEALTH WARNING!

Links, like cigarettes, should come with a health warning to anyone selling on the Internet, that says:
Warning: A misplaced link can seriously damage your sales.

Why do I say that? Well think about it... while links can be wonderful devices, and make the Web what it is, links can also be the fastest way out of your site, or away from your sales letter.

Links can also be a way of distracting your visitors from taking the actions you most want them to take, which on a sales letter, is probably to get them to buy.

I strongly believe that if you're using the sales letter format on the Internet, you want to use my Triple D strategy, which stands for “Direct, Don't Distract.”

In other words, you want to direct your visitors toward the actions you want them to take, right from the outset. You can give them choices, but ideally you want those choices to lead to the same ultimate outcome - that of buying from you.

And you don't want to distract them along the way. If you went to their office to make a sales presentation for your latest high-powered software, would you suddenly start jumping on their desk, screaming at the top of your voice and waving a subscription form in their face? (Just for fun, try it out once in a while, and see what reaction you get.)

And yet people do that all of the time on the Internet, with pop-ups, banner ads, links at the top, and so on. For instance, how many new sites do you visit, with links right at the top of the page saying “Order Now”, “Join Our Affiliate Program And Earn 50%” and “Contact Us”? It's pretty obvious that you're about to be sold to.

I understand why these links are there - it's so that repeat visitors can find the order link easily, or quickly locate the parts of the site they might need.

However, I can think of at least four different reasons why placing these navigation links at the top of your page could be damaging your sales:

(1) An “order now” link immediately makes it clear that you are selling something, which activates a person's “salesman shield”. Very few people like to be sold to, do we?
(2) Now they know you're selling something, they may be more willing to scroll down to check your price, before they've had the opportunity to be “sold” by your letter.

(3) For the savvy visitor, a “Join Our Affiliate Scheme And Earn 50%” link is an invitation to join your affiliate scheme to get your product at a 50% discount. (This may not be a bad thing if you don't mind people doing that.)

(4) These links are a distraction from your headline and copy. By placing your links in the Clash Zone, you're almost inviting these new visitors to click away from your sales letter.

Now, please don't misunderstand me. I'm not telling you to get rid of those links. I'm not telling you to do anything. I'm saying, please seriously consider the possibility that these links could be losing you sales.

One fairly simple solution could be to use cookies. You could set up your sales page so that the links don't appear for new visitors, but do appear for returning visitors - a few lines of PHP code could achieve this.

**PAYMENT OPTIONS**

We saw earlier that different price points can have a major effect on your sales. The same is true of different payment options. Giving people different payment options may increase sales, as well as boost profits.

For instance, instead of making a one-off price of $99, you could test a version of your letter where they can also pay 3 monthly installments of $33, and one where they can pay in 12 monthly installments of $11.

If you're selling a product or a service that requires recurring billing for subscription or membership, you can try offering different pricing plans. Instead of simply offering $9.99 a month, try giving them the option of paying for longer periods of time upfront at a cheaper monthly rate, ie.

- Monthly - $9.99 a month
Bronze package - $7.99 a month ($95.88 for 12 months - save 20%)

Silver package - $6.99 a month ($167.76 for 24 months - save 30%)

Gold package - $5.99 a month ($215.64 for 36 months - save 40%)

This technique is frequently used by magazine publishers, and can often dramatically increase sales and profits. This is because there is usually a high non-renewal rate for magazines, and a high cost associated with finding new subscribers. So by getting the subscriber to sign up for a longer subscription period, they are lowering their costs and getting more money up front.

MindValleyLabs conducted a split test on a product with an average price of $138. On the one version of their letter (A) the customer could order the product for the full price. On the other version (B), the customer was given the option of paying in 2 installments of $69 each.

The first version received 6,567 views and made 64 sales, while the second version received 6,457 views and generated 84 sales - an increase of 32.9%. (This was at a 95% confidence level).

Says Vishen Lakhiani of MindValleyLabs:

Here’s the unexpected thing... Of the 84 purchasers who saw the payment plan option - ONLY 13 people picked the payment plan. That’s a mere 15.5%. Yet the overall boost in sales was 32.9%. Could it be that by simply offering a payment plan - we established a higher degree of trust and credibility and thus encouraged more sales, even from people who did not wish to use the plan.  

Another method you could test is a “try before you buy” scheme. Instead of requiring them to pay before they access your product, if it's feasible, why not let them try your product out for a trial period before they purchase. For instance, if you've created a piece of software, you could program it to stop working once the trial period expires. Or you could limit the number of features available in the trial version. You can then send them an email or a message from within the program itself, telling them how to purchase the full version.
When testing this aspect, a good rule of thumb is to allow your test to run twice as long as your trial period. For instance, if you offer a 30 day trial period, you certainly don't want to test for *less than* this period, because many users may not purchase until the trial period expires. And you might find that some will not purchase until days, or even *weeks* afterwards. So I'd suggest running the test for about 60 days, then seeing which one has pulled best.

“One great advertising man stated the difference this way: 'Two men came to me, each offering me a horse. Both made equal claims. They were good horses, kind and gentle. A child could drive them. One man said, 'Try the horse for a week. If my claims are not true, come back for your money.' The other man also said, 'Try the horse for a week.' But he added, 'Come and pay me then.' I naturally brought the second man's horse.'”
-
Claude Hopkins, *Scientific Advertising*

**BONUSES**

Marketers will usually tell you that adding bonuses to your offer will add value to it. Is this entirely true, or does it actually just water down your offer? Again, it's something you can test. You could test with and without a bonus, and you can test more and less bonuses. You can even test the relative pulling power of each individual bonus.

Don't forget that you can offer bonuses whenever they take some desirable action, not just when they buy from you. So you could test offering a bonus in exchange for signing up for your newsletter or trying out your software (the so-called *ethical bribe*).

**4.2 Where do you start?**

OK, after reading up to this point, you're probably thinking: “*This sounds like a*
lot to test. Where do I start?”

Well, your **headline** is what is seen first, it’s what grabs your visitor’s attention. If you don’t get **this** right, you’ve lost your visitor before you’ve had a chance to say anything else. So why not start there?

After that, I'd say the **first few paragraphs** (The Clash Zone), your **price** and your overall **offer** are the next most important aspects to test, although there are no hard and fast rules about what to test and in which order. These are often the elements that will have the biggest impact on your sales.

However, if your site is only receiving a small amount of traffic, you may want to take a completely different approach, as I'll explain in the next chapter.

The bottom line is: **test whatever you think could have a major positive impact on your sales and profit.**

### 4.3 What does it mean when a test lowers your sales?

Split testing is a test. While you can do certain things to increase the likelihood that a certain test will increase your sales, there are no guarantees.

If a test lowers your sales, it's not a failure - it's feedback. It's a further insight into the minds of your visitors. (You can sharpen this insight by using a Feedback Seeker, which I'll discuss later.)

### 4.4 Beware of the marketing “fortune tellers”

Unfortunately, there are many marketers, particularly on the Internet, who make statements such as, “Use this technique and it will increase your sales by X%”, or “Try my Y and it will *double* your sales.”

I'm here to tell you the truth, which is...

It's **impossible** for anyone to truthfully say,
"Technique T will increase your sales by X%".

Hopefully from what you've read so far, you can understand why. It's simply impossible for me, or anybody else, to say that any technique will increase your sales for definite by any figure. Anyone who says, “This will increase your sales by 34%” (or whatever figure) is basically fortune-telling.

What works for Joe may not work for you. Something that turned out to be a disaster for Sally may be your key to success.

There's no way to tell what the result will be until you test, because you almost certainly have...

(a) a different traffic stream
(b) a different product or service
(c) a different target market
(d) a different technology base

... than the person who made the statement.

There are, of course, certain marketing “principles” that generally hold true. For example, many of the most effective sales letters include a strong guarantee, for reasons I've discussed earlier. However, I'm sure there are enough letters that stand as “exceptions” to this rule, that pull better without a guarantee.

My suggestion to you is to start from the position that these marketing “principles” are true (i.e. strengthen rather than remove your guarantee.) You can always test a letter without a guarantee later on, once you're already making a decent number of sales, and can afford to possibly lose a few.

And remember, the examples in this special report are just that - examples. They're included to give you plenty of ideas for things you can test. Naturally you won't get the same results. In fact, the outcome for you may be completely the opposite! That's why you must do your own tests, and not rely on other people's examples.

**In conclusion...**
Now that you understand the process of testing, how it works, what to test, how to do it on your site, and the potential pitfalls of testing, I want to share with you a couple of “secrets”. Technically, they're not “secrets”, but so few marketers talk about them that they might as well be! They're especially crucial if you're currently not getting much traffic, but the techniques can be used on any site.

5

Low Traffic Testing Secrets

Hopefully you’re excited by the idea of testing, and what it can do for your site. However, you may also be thinking, “I'm not getting enough traffic yet - how am I supposed to test”? After all, you can't improve your conversion rate without getting a decent number of sales, but you can't get sufficient sales to get any significant results without either increasing your traffic (which usually costs extra money), or by increasing your conversion rate - which is a “catch 22” situation!

Fortunately, there is a solution - and it's such a powerful one, that I’d also recommend high traffic sites use it as well. Keep reading to find out what it is...

5.1 A testing and tracking “secret” revealed

This is something you won't see mentioned a whole lot, but it's one of the keys to maximizing your sales, especially if your site only gets a small volume of traffic.

So far I've been talking about how to improve your visitor to sales conversion rate. However, what I'm about to tell you may surprise or even shock you. It may not sound revolutionary (because it's not), but when you understand the impact
of what I'm about to tell you, you'll realize why it's so powerful.

It's this...

*If you're only getting a low volume of traffic to your site, forget all about your visitor to sales conversion ratio.*

Here's why...

If your traffic is low, the chances are, you're simply not going to have enough sales to perform a test and get data that is statistically significant. For instance, you might be getting 30 sales a month, but even with a basic A/B test you'll need quite a dramatic split of 12/18 or bigger before you can confidently say the difference is *significant*.

To put it bluntly... a low traffic site *can* test, but you'll need to use a different strategy, or it will take you months to get results.

**5.2 Maximizing each conversion rate**

Earlier in this book I urged you to use more than one conversion rate. In fact, I said that at *every point* you want your visitor to take action, you should count the number of times the action is taken, so you can calculate a conversion rate for the action.

For instance, if you offer a newsletter subscription, measure how many of these unique visitors end up on your subscription “thank you” page, so you can work out your *visitor to subscription rate*.

If your sales letter is broken up into more than one page, measure unique visits to each page, so you can see how far your visitors are reading, and what percentage read until the last page.

*One of the “secrets” to maximizing your site’s visitor to sales conversion rate is to maximize each and every other conversion rate.*

You see, you’ll find it much easier to work on building the conversion rate for each *individual* action, and as you do this you’ll *naturally* increase your visitor to
sales rate.

Here’s why...

Let’s say you’re just starting out. You’re achieving a commendable 100 visitors a day, and you’re able to convert about 10% of them into subscribers of your email series, which gently sells your product. Of these subscribers, 10% go on to buy your product within a month.

Keeping it simple, that’s about 3,000 new visitors, 300 new subscribers, and about 30 sales a month. Your visitor to sales conversion rate is therefore 1%.

Now, if for one month you focused exclusively on raising the visitor to subscriber rate, you might find a way to take it from 10% to 20%.

This would be a lot easier to pull off after multivariate testing, because when you're aiming for more “subscribers”, you have 300 actions a month to play with, instead of 30 actions when using “sales” as a measure of success.

With a 20% subscription rate, you’d get 600 new subscribers a month. Assuming your subscription to sales rate remains the same, you should now get 60 sales a month - a 100% increase! Your overall visitor to sales conversion rate is now 2%.

Now, watch this... this is where testing gets real fun. Next month you could move on to testing your email course and find a way to increase the subscriber to sales rate from 10% to 20%.

Look at what happens to your sales. At 100 visitors a day, 20% of them subscribe to your email course (i.e. 20 a day), and now 20% of these go on to buy, i.e. 4 a day.

That’s 120 sales a month - up from just 30 a month when you started testing - an awesome 300% increase! (Am I getting you in the mood yet?)

In other words, your overall visitor to sales conversion rate is now 4%. You’ve quadrupled this rate simply by doubling both of the other conversion rates!

(I’ll show you how you could test, track and increase your subscriber to sales
rate later on.)

And don’t forget that even your backend sales have conversion rates. For instance, what percentage of customers for your first product, go on to buy your second?

Let’s say 10% of purchases of Product X go on to buy Product Y. That means, for every 30 sales of product X, you’ll sell 3 of product Y. When you quadruple your sales of Product X from 30 to 120, you’ll also quadruple your backend sale of Product Y from 3 to 12.

And if you could then double this backend conversion rate from 10% to 20%... you’ll have gone from an initial 3 to a mighty 24 sales a month, just from this backend product!

Remember, the potential for vastly increased profits here is enormous, because it’s much easier to sell to someone who’s already familiar with you, than it is to generate a new customer. Your profit from a backend product could be much higher than the profit you earn from your initial product.

5.3 Why testing is so important if you have low traffic

If you have a low traffic site, it’s even more critical for you to test and track, because you need to squeeze as much profit as possible out of the traffic you’re already getting! After all, you’ll need this extra money to generate more traffic!

However, as our earlier table showed, when you’re working with a smaller sample size, it becomes harder to tell if your results are significant or not.

That’s why improving other conversion ratios first is a must.

Let me give you an example of how and why you can test even if you’re only receiving a small amount of traffic:

Bob’s site receives 10 unique visitors a day - that’s 300 a month. His visitor to subscriber conversion rate is 10% (or 30 subscribers), and his subscriber to sales ratio is 10% (i.e. 3 sales a month).
Bob has a product which sells for $100, but it costs him $200 just to generate 100 visitors, so he’s only making $100 profit a month - not a figure that gets him rolling out of bed in the morning with delight.

Now, if he were to use a traditional A/B test using sales as the measure of improvement, it’s going to take him an absolute age before he can get enough sales to make a significant comparison - a sample of 3 sales will tell him absolutely nothing.

(If you can’t remember why, think back to our “coin tosses” examples. If you toss a coin 3 times, you may get 2 heads and 1 tail, which means that heads outperforms tails by 50%, but that doesn’t mean the result is significant!)

So he has to work with another statistic altogether - and since he’s capturing his visitor’s email address for later follow-up through an autoresponder sequence (which, incidentally, you should also be doing - or at least something similar) then this is the next best candidate.

From 300 visitors a month, Bob knows his site can currently generate about 30 new subscribers (i.e. a 10% visitor to subscriber conversion ratio). This is at least a more practical sample size, although he remembers (don’t you!) that if he’s going to do any split testing he’ll need to see a split of at least 12/18 before he can say the results are significant.

So he creates a variation of his sales letter (“letter B”), which includes an element he thinks should increase sign-ups to his email series - let’s say it’s a pop-up that appears when a person leaves the site.

He performs a split test until he gets 30 subscribers (with Letter A - his current letter - as the control and Letter B as the variation with the exit pop-up), and finds that the split is 13/17 in favor of the exit pop-up. The difference is not significant.

Now, this puzzles Bob, as he’s convinced that an exit pop-up would increase sign-ups. (After all, he reasons, it could hardly lower them - they were about to leave, anyway!) Then he remembers (from this report, no less) that “not significant” does not necessarily mean “no improvement”. It could simply be that the sample size is too small to highlight the improvement.
So he decides to continue the test for another 20 subscribers, until he has a sample size of 50. This time, the results are split 20/30 in favor of the exit pop - the difference is significant! Letter A pulls 50% better than B.

To calculate the visitor to subscriber conversion rate of each letter, he just divides the results by the number of unique visitors each received, and multiplies by 100.

It took 400 unique visitors to get the sample he was looking for, and this traffic was split equally between Letters A and B, i.e. 200 each. So...

For Letter A, the conversion rate is
\[ \frac{20}{200} \times 100 = 10\% \]

For letter B, the conversion rate is
\[ \frac{30}{200} \times 100 = 15\% \]

Previously, when he used Letter A he was getting about 30 subscribers a day (that’s 10% of his 300 monthly visitors), and 3 sales.

The split test tells him that if he now used Letter B instead, he could be converting anywhere up to 15% of his monthly visitors into subscribers, i.e. 45 new subscribers a month.

Now, he remembers that, even though in this sample, Letter A pulls 50% more subscribers than letter B, it doesn’t mean he’ll get such a large increase over a longer period of time. (Check out Chapter 2 again if you can’t remember why.)

Still, he’s satisfied that using an exit pop will be an improvement, and sets Letter B as the new control.

Bob moves swiftly on to another test, setting it up in a way that will enable a split test and tell him how much he’s currently improved his conversion rate for the new control letter, which now becomes Letter A.

In Test 2, Bob tries to raise the visitor to subscriber rate even higher. He secures a valuable product that he’s able to give away as a bonus to new subscribers. For this test, the variation (Letter B) offers the bonus to each new subscriber.
He decides to use a sample consisting of the next 100 subscribers. This may take longer to achieve, but it will give him a chance to see how his new control letter (A) is pulling, and give him even more accurate information on whether the bonus is effective or not.

He runs the test. As soon as he’s achieved 100 subscribers, he looks carefully at the results. They are:

Both letters received a total of 560 unique visitors.

Letter A received 280 of these and 42 became subscribers. The visitors to subscribers conversion rate is therefore $\frac{42}{280} \times 100 = 15\%$

Letter B also received 280 visitors, of which 58 become subscribers. The visitor to subscriber conversion rate is therefore $\frac{58}{220} \times 100 = 20.7\%$

There are two things to note here. The control letter (A) is now pulling subscribers at 15%, which is a 5 percentage point improvement on the previous rate. So Test 1 did succeed in improving Bob’s visitor to subscriber conversion rate.

Second, the “significance rule of thumb” tells us that the 42/58 split is significant, so it’s fair to say that Letter B is an improvement.

Bob can and should continue this testing process, to see if he can improve his letter even more, but I want to pause here to show you the difference that these two tests has made to Bob’s bottom line.

Before the changes, Bob was receiving about 300 visitors a month, of which 10% (i.e. 30) became subscribers and 10% of his subscribers, i.e. 3 a month, became customers. His product sells for $100 so he earned $300 a month, but it cost $200 a month to generate his traffic, so his profit was just $100 a month.

Now, after two split tests, Bob has raised his subscription rate to over 20%. For the sake of simplicity, let’s say the rate is precisely 20% (it just makes it easier to work out the figures!)

For each of his 300 visitors a month, we can now say that 20%, or 60 become subscribers, and 10% of these still become customers (this rate hasn't changed
yet)... i.e. 6 new customers a month. Before costs he earns 6 x $100 = $600, and since it still costs him the same amount to get these visitors (i.e. $200), his profit will now be $400 a month.

Do you see what’s happening here? We’re not even bothering to calculate the visitor to sales conversion rate and already we’ve seen Bob’s profits quadruple from two simple split tests!

Do you see what this means for you?

I want you to really think carefully about this, because it’s one of the keys to making testing and optimizing the most important thing you’ll ever do.

See, this is one of the mistakes a lot of marketers make when they say, “You must test!” They will tell you, correctly, to track your sales and split your copy... but they forget the dilemma for the low traffic site - that, if you're only getting a few sales a month, how can you possibly get any meaningful results from your tests and hence improve your site to get more sales?

The answer is, you can’t - unless you track something other than sales, and concentrate on improving this factor.

By measuring and improving his subscription rate, he's able to work with a much larger sample and so get significant results much more quickly. And every time he gets an improvement in his subscription rate, he has yet more results to play with, so he can conduct further tests even more quickly!

We should also note that, due to the small amount of traffic, Bob didn't have the luxury of being able to experiment and tweak just anything - instead, he picked things he was convinced would have a positive effect on his subscription rate - an exit pop-up, and a bonus for subscribing.

Now, one of the biggest mistakes you could make is to say, “I won’t start testing until I’m getting a decent amount of traffic a month.”

Sorry, but this is backward thinking. Let me show you why.

5.4 Start testing now - traffic is only the second most important factor!
Most people who get their business started on the Web think that traffic is the most important thing they need. There's no doubt, traffic is vital - without traffic, you're not going to make sales. However, if you're just starting out, let me share with you this profound secret...

Traffic is not the most important thing upon which to focus - the most important thing is conversion.

Let me prove this to you...

If you can get 1,000,000 (a million) visitors to your site each day, but nobody buys from you or subscribes to anything, you make no money - although, in this case, you should probably sell advertising space!

If, like Bob, you're getting only 10 visitors a day, but you're managing to convert 1% into customers, then you're making 3 sales a month, which is still better than nothing - but whether you're making or losing money depends on your costs, and for how much your product sells.

Bob's site initially generated $300 a month in revenue. His costs were fixed, at a certain dollar amount per 100 visitors. In his case, it was $200 per 100 visitors.

Now, this left him with a dilemma. To grow his business, he could...

(1) Reinvest all of his revenue each month into new traffic.

Since his site can generate $300 for every $200 he invests, he could do this and increase his revenue by 50% each month.

<table>
<thead>
<tr>
<th>Month</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$300</td>
</tr>
<tr>
<td>2</td>
<td>$450</td>
</tr>
<tr>
<td>3</td>
<td>$675</td>
</tr>
<tr>
<td>4</td>
<td>$1,012.50</td>
</tr>
<tr>
<td>5</td>
<td>$1,518.75</td>
</tr>
</tbody>
</table>
After 8 months his site could be generating revenue of over $5,000 a month. However, the moment he decides not to re-invest this money in getting more traffic, the growth could stop - or even reverse!

For instance, let’s say in Month 8 he decides to take out $2,000 a month for his own personal use. (Bob gets it into his crazy head that it might be a good idea to start paying his mortgage again.) Watch what happens to revenue over the following months…

<table>
<thead>
<tr>
<th>Month</th>
<th>Revenue (R)</th>
<th>Withdrawal (W)</th>
<th>Remaining (R-W)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>$5,125.77</td>
<td>$2,000</td>
<td>$3,125.77</td>
</tr>
<tr>
<td>9</td>
<td>$4,688.65</td>
<td>$2,000</td>
<td>$2,688.65</td>
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<tr>
<td>10</td>
<td>$4,032.98</td>
<td>$2,000</td>
<td>$2,032.98</td>
</tr>
<tr>
<td>11</td>
<td>$3,049.47</td>
<td>$2,000</td>
<td>$1,049.47</td>
</tr>
<tr>
<td>12</td>
<td>$1,574.21</td>
<td>$2,000</td>
<td>-$425.79</td>
</tr>
</tbody>
</table>

Oops! Simply by withdrawing a modest $2,000 a month for himself, from this process, Bob is in the red by month 12!

Bob could also…

(2) Reinvest the $200 a month in new visitors and take $100 in profit.

Yes, he could do this and perpetually generate $100 a month in profit. But this prospect doesn’t exactly get him wildly excited.

Or, he could...

(3) Keep the $300 revenue and run.
He could also do this, but since he originally invested $200 in advertising, he’s actually only up by $100... and since he’s not generating any more traffic by re-investing in advertising, his revenue would simply dry up.

These are all, quite frankly, pretty dismal options - although the first choice could be made to work well if Bob had the discipline to re-invest all his money back into advertising for a long period of time - at least a year.

However, each of the options available to him above were based on the assumption that his site was converting 1% of visitors to subscribers.

We saw how two simple split tests enabled him to boost his conversion ratio to 2%. At 300 visitors a month, that’s 6 sales, and 6 x $100 = $600 of revenue.

In other words, a $200 advertising investment at 2% conversion produces $600 in revenue. This, now, gives him a lot more money to play with!

For instance, he could now afford to double his advertising each month, and still withdraw a growing amount each month for his own personal use. Assuming it costs $200 per 300 visitors (i.e. $0.66 per unique visitor), this is what could happen. Each month he re-invests two-thirds (A) of his revenue back into advertising, and one-third he takes out for his own personal use (B).

<table>
<thead>
<tr>
<th>Month</th>
<th>Visits</th>
<th>Subs</th>
<th>Sales</th>
<th>Revenue</th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>300</td>
<td>60</td>
<td>6</td>
<td>$600</td>
<td>$400</td>
<td>$200</td>
</tr>
<tr>
<td>2</td>
<td>600</td>
<td>120</td>
<td>12</td>
<td>$1,200</td>
<td>$800</td>
<td>$400</td>
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<td>480</td>
<td>48</td>
<td>$4,800</td>
<td>$3,200</td>
<td>$1,600</td>
</tr>
<tr>
<td>5</td>
<td>4,800</td>
<td>960</td>
<td>96</td>
<td>$9,600</td>
<td>$6,400</td>
<td>$3,200</td>
</tr>
<tr>
<td>6</td>
<td>9,600</td>
<td>1,920</td>
<td>192</td>
<td>$19,200</td>
<td>$12,800</td>
<td>$6,400</td>
</tr>
</tbody>
</table>

Notice in this example just how quickly his business grows - it’s now actually
**doubling** each month! - and he’s able to generate a substantial and sustainable personal income of over $6,000 and growing, in under 6 months!

This is, of course, just an example. We've simplified a lot of things here, such as his costs, which in reality could vary a lot. Your results will naturally differ. However, I want you to **fully understand** why I said that conversion is more important than traffic.

With a conversion rate of 1%, Bob could continually grow his business, but he would have to re-invest all of his revenue into advertising just to get a 50% increase each month.

However, with a conversion rate of 2%, Bob can **double** his business each month, re-invest two-thirds of his revenue back into advertising, and **still** afford to take out an income of over $5,000 a month after 6 months - an income which, assuming the trend continues, could potentially double each month!

Do you now understand why **conversion** is more important than **traffic**?

It’s because, with an increased conversion **automatically** comes increased revenue, which you can then use to **buy** more traffic to repeat the process.

Traffic is, of course, the *lifeblood* of this system, so it is absolutely vital. But, if you’re just starting out (like Bob), then focusing on the **conversion rate** will enable you to generate more revenue per visitor, which will help your business **grow much faster**.

And the fun doesn’t stop there. What if Bob could improve his conversion rate from 2% to 3%? From 300 visitors he would be able to make 9 sales, which would boost his revenue from $600 to $900... leaving him **even more** money to re-invest, or to spend on himself!

Hopefully you get the point by now. The key to success is conversion, and there is a simple three-step formula to successful selling on the Web.

### 5.5 The 3 Step Success Formula

It sounds profoundly simple yet it’s unbelievably powerful. Here are the three
steps to success...

(1) Get traffic

“Traffic” in this formula means qualified, targeted visitors who could potentially become your customers. Forget about generating traffic that you have little or no chance of converting - it’s a waste of your time and energy. Invest in quality advertising and quality traffic generation that will bring you quality, targeted traffic.

(2) Maximize your conversion rate

Aim to continually increase your conversion rate. This will bring you more revenue from the same quantity of traffic, putting more money in your pocket.

(3) Repeat

Simply do steps (1) and (2) again! As your revenue increases per visitor but the cost of getting that visitor stays the same, you’ll be able to acquire even more visitors every time you repeat the cycle, which will bring you even more revenue... and so on. You can also repeat by selling backend products to your current customers, or more products to new visitors.

5.6 How to increase your visitor to subscriber rate

Now that you realize the importance of the visitor to subscriber rate, the next question is: How can you increase this rate?

Here's several ideas for you - don't forget to test them!...

- Increase the perceived value of the subscription. For instance, if your subscription is an email course with 7 lessons, try doubling the lessons (and hence the information offered) and see if you get more sign-ups.

- Offer more incentives for signing up. Instead of offering bonuses only when they buy, consider giving away one or more bonuses just for subscribing.
- **Ask more often.** If you only ask for them to subscribe once, that’s essentially just one chance they have to subscribe. Since you know your visitors are always making *microdecisions*, frequently refer to your subscription offer and keep giving them the *microchoice* of subscribing or not. (For instance, why not frequently have a “*click here to subscribe*” link in your copy?) You can also ask when they’re leaving your site, on an exit popup - and offer them a last-ditch incentive for signing up!

- **Test the location of your subscription box.** Some people argue it’s better to have it above the “fold” (the part of your site they see before a visitor needs to scroll down). It may be a good idea putting your box in multiple places!

- **Re-focus your sales letter.** Your sales letter may be so focused on selling your product that you may have added the subscription offer almost as an afterthought. Instead, make getting the subscription the main goal of your letter. You can always sell the product once they’re signed up!

- **Make your privacy statements stronger.** Some people are simply reluctant to give out their email address, having previously been spammed to death, or followed-up ad nauseum by other marketers. Make it very clear that you won’t abuse their email address in any way and they will be more likely to subscribe.

- **Be specific.** Tell them exactly what they’ll expect, how often they’ll expect it.

Now, let’s put the visitor to subscriber ratio into some perspective. If just 10% of your visitors subscribe to your email offering, that’s 90% who don’t. In other words, you’re offering something *free* and 90% still turned it down!

This is why optimizing your subscription process is so important - you need to find out why they’re *not* taking something that’s being offered for free.

(You can also *ask* them why they didn’t subscribe, even if they didn’t give you their email address! I’ll show you how to do this later - it’s really useful.)

I can only think of *three* reasons why they don’t take up your free offer:
(a) they don’t trust you enough,
(b) they don’t think the offering is relevant, valuable or original enough,
(c) they weren’t motivated enough.

Now, you have a fair degree of control over each of these elements. For instance, if they don’t trust you enough, simply ask yourself: What can I do to improve trust?

Well, you could add to and strengthen your testimonials (maybe try and get more from the big names in your field), strengthen your privacy assurances (i.e. re-assure them that they’re not going to get spammed and that they can cancel their subscription at any time), let them read a sample of your newsletter or email course without them having to subscribe.

Really, it’s not difficult to go from a 10% visitor to subscriber rate to 40%, 50% or more, if your email offering is free.

It’s probably more important to do this if you have a high-ticket item, because people are less inclined to make an impulse purchase, so it's more likely you'll need to follow up.

In conclusion...

If you’re just starting out, or you have a low traffic site, the advice you’ve just read in this chapter could be the most important advice you’ll ever hear.

Testing is not irrelevant for you - in fact, it’s exactly the opposite: it’s even more critical.

This is because, when your site isn’t getting much traffic, you need to squeeze every last dollar of profit out of it, so that you can re-invest in advertising to get more traffic.

And the only way you’ll find out those hidden profit elements is to test.

And I suggest simply forgetting about the visitor to sales rate until you have enough traffic and sales (probably 50 or 100 sales a month is enough to start
testing on the main rate). Instead, while your sales and traffic are low, concentrate on converting as many visitors to subscribers as possible, and then work on converting as many subscribers into customers.

(I haven’t yet talked much about how to improve your subscriber to sales rate. I will do that now...)

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6

Email Testing

As I stated earlier on in this book, split testing isn't simply for direct mail and the Internet. You can use it to improve any marketing process where you can test and track results.

Email is another ideal candidate for split testing, and in many ways it's easier to test and track with email than for direct mail.

At its simplest, email split testing means this: if you have a newsletter or email list, take two or more samples from your list, run a different version of the email for each sample, track the results and see which pulls best. Then mail the rest of your list with the version that generated the best results.

In this section, we're going to discuss all the wonderful things you can do with your email lists, to really maximize your profits.

6.1 Things you can measure (and one you can't)

OPEN RATE
Email has two big advantages over direct mail. First, it's a whole lot cheaper! And second, you can measure something with email that you can't with direct mail - the **open rate**, ie. how many people open the mail to read it.

If I send a letter to 1,000 people by post, I have no way of knowing how many of those letters are opened, unless I plant some sort of tracking device in each envelope, or come up with some equally devious (and probably illegal) plan to spy on these people. (It would be fascinating to know if anyone's tried this, don't you think?) All I could really measure is responses.

With email, you can tell how many people have opened your email - at least to a certain extent.

If you're sending an HTML email, you can place a special graphic in the email. When the email is opened, the graphic displays in the user's email program, and hopefully your web logs will record the fact that it's served up this graphic - implying that the email was opened. (These graphics are often referred to as **web beacons**, and are usually about 1 pixel by 1 pixel. They're mostly harmless, and usually used for tracking purposes.)

To test which of your sample emails have the best open rate, just include a different graphic for each sample, and then look at your web logs to see which graphic has displayed the most. Many autoresponder services, such as Getresponse or Aweber, have this ability built-in. (This kind of tracking only works with HTML email.)

Now, this technique will not necessarily give you a perfect indication of how many people actually open your email, because (a) not all of your recipients will be able to view HTML email, and (b) not all email programs will display graphical elements.

However, split testing can give you a good indication of which has the best open rate, relatively speaking.

**DELIVERY RATE**

It's unfortunate that with the proliferation of spam, and hence the technology to
block and filter it, some of your perfectly legitimate emails may simply not be getting through.

If 50% of your email messages never reach their intended recipients, this is obviously going to have an adverse effect on your sales and conversion rates.

So it's useful to have some idea as to what proportion of your messages are being blocked, or being mistakenly diverted to your subscriber's “spam” or “bulk email” folder.

As far as I'm aware, there's no effective way of tracking the delivery rate. Unless you can find a way, the best you can do is track the open rate and use this as a guide.

**CLICK-THRUS**

If your email acts as a hook to get them to your site, then you'll want to measure *click-thrus* from the email to your site.

You can do this manually by setting up a unique tracking URL for each sample. This could mean simply creating a different entry page for each sample, ie.

http://www.yoursite.com/pagea.html
http://www.yoursite.com/pagea.html

... and then looking at your web logs to see which page receives more unique visitors.

A better way, in my opinion, is to use a tracking script or service, that enables you to easily create as many tracking URLs as you want. For instance, my script *Traffic Personalizer* allows you to do this, and the tracking URLs could look something like this...

http://www.yoursite.com/?tag=PageA
http://www.yoursite.com/?tag=PageB

You will also find that many larger autoresponder services, such as Getresponse and Aweber, offer the facility to track click-thrus.
SITE ACTIONS

These are probably the most important ones to measure, since you'll want to know how many new subscribers or sales each sample produces.

And yet, knowing which sales come from which sample is possibly the trickiest one to measure - which explains why it's not done as often as it should.

Please don't skimp on this one! When you run any kind of advertising campaign, you'll need to know which ads make you the most profit. And yet, how will you know unless you can track each sale back to its original ad?

Click here for updated information on the latest testing and tracking tools.

6.2 What to test in your emails

THE SUBJECT LINE

The subject line is the line which describes the email, and it's the single most important element of your email, because it determines whether your email gets opened or not!

If your autoresponder service permits you to personalize your subject line, I strongly recommend you do so. I find that simple one-to-one type subject headers get opened the most. And, because of the spam filters, I don't recommend using filtered words such as “free”.

You can test different subject line formats. For instance, if you're delivering an email course, you could compare this subject line...

[FIRSTNAME], Part 1 of your email course

... with something like this:

[FIRSTNAME], what do you think of Part 1?
Or a more descriptive subject, like:

[FIRSTNAME], Part 1 - How to set up joint ventures easily and effectively

Remember that the ultimate purpose of the subject line is ultimately to get the email *opened* and *read*, so find out which format works best for you.

**FREQUENCY**

How often should you send out an email, or what is the optimum length of time between autoresponder messages? Is it better to send one mailing a day, or one every two or three days? This is something you can only determine by testing.

**CONTENT**

Obviously the content of the emails will have an impact on your reader's actions. Remember that there's no real difference between split testing your emails, and split testing on the Web. It's just a different medium.

**UNSUBSCRIBES**

You'll want to measure the number of unsubscribes as a good indication of how satisfied your visitors are with the information you're providing. You'll also want to know at what point they're cancelling their subscriptions.

For instance, if you're getting a large number of unsubscribes after Message 5 of your autoresponder sequence, it could be an indication that Message 5 is a weak point in your sales chain. You might consider revising this message to improve the Message 5 to Message 6 conversion rate. (Yes, each message has its own ratios, which you want to keep improving!)

**6.3 How to track subscribers to sales**

Earlier on I discussed how focusing on other conversion rates (besides visitor to
sales) was the key to increasing the main rate for low traffic sites.

I said that one of the important metrics you should be measuring was the subscriber to sales rate. However, I didn't tell you how to go about this.

Fortunately, it's easier than it sounds. In fact, you can do this manually if you're only getting a small number of sales each month. Just so long as you capture at least the name and the email address of each new customer, you should be able to find out which sample they were subscribed to.

If you're anticipating higher sales (which, since you brought this book, I'm guessing you are!), then you'll want to implement some kind of tracking technology on your site.

Click here for details of tracking technologies available

7

Advertising, Publicity and Promotion

Advertising is like oxygen. Starve your business of it, and it will die - it's that simple.

Now, in this chapter I'm not going to tell you how to advertise. You already know the options available to you: search engines, ezine ads, affiliates, press releases, viral marketing campaigns, offline promotion, and so on.

However, I will tell you this - testing and tracking is just as important for your advertising and marketing as it is for your website and email series.

Here's why...
Suppose you run a split test in a publication, using two ads - A and B. Both ads are the same, apart from a minor variation, and both cost you the same amount of money.

And yet advert B sells 100% more than advert A. You've doubled your immediate profit just by changing the ad.

Now, you know that this is possible. So I won't show you any more examples. In fact, the reason this chapter is so short is that I don't want to repeat what I've said already. Just remember to use split testing and tracking for your advertising efforts.

You can't control the number of people who read or view your advertising campaigns, but you can control whether you advertise there or not, where you advertise and, to a certain extent, you can control the price.

7.1 Return on investment (ROI) and visitor value (VV)

I've tried to avoid using too much jargon in this book (or at least, I've invented my own!), but in a chapter on advertising I really need to talk briefly about what's called the return on investment (or ROI). This is basically the results you get from investing in something, such as an ad campaign.

ROI is usually calculated as a percentage. So if you spend $1,000 on an ad campaign, and you get $1,500 in return, then you have a 50% return on investment. (You made a 50% profit, or return.)

An even better way of expressing this is to say that for every $1 invested in this ad campaign, we generated $1.50 in return.

Now, ROI can get a lot more complicated than this, but I prefer to keep things simple as it stops those headaches.

When you're investing in an ad campaign, it's useful to know what your ROI is for each of your advertising efforts, so you know if it's profitable to continue advertising with a particular source, or whether your money is best spent elsewhere.
For instance, if you're currently using three advertising sources (A, B and C), and your ROI for each are...

Source A: 50%
Source B: 75%
Source C: 100%

... then why not switch all your advertising over to Source C?

To be able to calculate a return on investment, you need to know which source of advertising a particular sale comes from. This is why you need to be tracking all of your advertising.

One final word on ROI – it is not the sole indicator of profitability. After all, you may decide to make a loss (or at least, break even) on a product so that you can make money on the backend sales. (In marketing terms, a product that is sold at a loss in order to acquire a customer is called a loss leader. Stores use these all the time to get people into the shop.)

Instead, I would use ROI as a comparison tool for split testing. You can test different advertising methods, styles and sources, and go with the ones that bring you the maximum ROI.

Another term that's growing in popularity is visitor value (VV). This is basically how much each unique visitor is worth to you. For instance, if your site's overall conversion rate is currently at 3%, and you can make $100 worth of sales for every 100 visitors, then the average amount you make per visitor is $1. This is your visitor value. It doesn't mean you'll earn that amount every time someone comes to your site, but as an average, that's how much each visitor is worth to you.

Working out a visitor value is useful for determining how much to bid in a pay-per-click advertising campaign, as you'll see in a moment.

7.2 Maximizing your ad investments

PAY-PER-CLICK ADVERTISING
Pay-per-click (PPC) advertising such as Google Adwords is great because you know *in advance* how much each visitor is going to cost you. If you've bid at $0.20 on a search term, then that's how much it will cost you to get a visitor.

If you already know your site's conversion rate, *you can work out how much you can afford to pay for each visitor*.

For instance, let's say your site currently converts at 3%, and you generate $100 of revenue per sale. Then for every 100 visitors, you can make 3 sales, and your revenue will be $300.

In other words, you make an average of $3 per visitor. (Your *visitor value* is $3.) As long as your bid is below this, you should make a profit.

Of course, if you can make backend sales as well, then your visitor value might be much higher. That's how some people may be able to afford higher bids than you - because they may be taking a loss on their front end product, with the intention of making up for it with backend sales.

Either way, since you're paying for this traffic on a per-click basis, you'll want to minimize the number of people who are just browsing (or untargetted visitors), and maximize the number of people coming who are potential customers.

Therefore you should *pre-qualify your visitors*. Filter out those who aren't going to become customers by making it clear in your ad description that you're only looking for certain types of people.

For instance, if you sell loans to homeowners only, say so in your ad: “Affordable loans for homeowners only.”

It may also be a good idea to mention the price of your product in the ad. This will cut down on the number of people coming to your site looking for a freebie. “The best $50 software on web page creation”.

Fortunately, many of the pay-per-click advertising networks, such as Google Adwords, now have built-in split testing capabilities, so you can split test your ads to see which work the best.
OFFLINE PROMOTION

Apparently, I heard off a friend that there's this thing called “the real world” - and a lot of people live in it!

In that case, you can and should test and track your marketing efforts there, too. Remember that mail order companies and many publishers use testing techniques all the time.

If you're promoting your website in offline media, instead of using a tracking URL (which can be pretty long and not usually very memorable), consider simply using an alternative web address!

Domain names are dirt cheap nowadays - you can pick one up for $20 or less - so you can test the response to each ad by using a different address in each.

“Never be guided in any way by ads which are untraced. Never do anything because some uninformed advertiser considers that something right. Never be led in new paths by the blind. Apply to your advertising ordinary common sense. Take the opinion of nobody, whom know nothing about his returns.”
- Claude Hopkins, Scientific Advertising

How To “Spy” On Your Visitor's Every Move!
So far, we've examined some very powerful techniques for optimizing your site's conversion.

What's missing is the human element - after all, your visitors are humans, too. (Except the search engine robots, and the aliens. But the government won't let me talk about the aliens.)

Site analytics are a way of processing the raw data, ie. X people came to your site, and Y did this or that.

Wouldn't it be nice, however, to have a bit more of an understanding as to why your visitors are doing (or not doing) what they're doing?

In this chapter I'm going to show you several ways you can basically “spy” on your visitors, almost to the point where you'll know almost exactly what they're thinking!

Now, spying is actually a very strong word - I only used it as another “hook”, to get you to read this chapter. Well, it worked, didn't it?

Here's how I like to think of it:

When you walk into a high street store, there are usually CCTV cameras all around, to make sure you don't steal anything. The store owner might be there, ready to help out a customer, and there might be a number of assistants, one of whom will inevitably bug you about 5 seconds after you've entered, with the “Can I help you?” line. (Store assistants, why are you asking me a Yes or No question? Try, “I can help you!” for a change!)

The point is: in a real store, the owner has access to lots of information on what you're doing at any point in time. It's not spying, it's business.

Shouldn't you, as a web site owner, have that kind of information available to you?

The great news is - you can!

In this chapter I'm going to share with you some useful services which allow you
to watch what your visitors do, where they click etc.

And I'm going to show you what to do with this information.

8.1 Watching your visitor's mouse movements

There are services which allow you to view what your visitors actually do on your site, i.e. where they move their mouse, when they scroll up and down, when they fill in a form etc. It's called mouse tracking.

Remember earlier I said that visitors are on a quest? The reason I like these kinds of services is that they enable you to see the visitors attempt to complete, or abandon their quest. They're on your site for a reason, remember? Maybe they need something, they want something, or they're just curious.

Mouse tracking services record the mouse movements of your visitors across your site, and store them as “recordings”.

Admittedly, when I first installed one of these services on my site, it felt a little voyeuristic - but I quickly realized that there was simply no way I was going to be able to view every single recording - and, quite frankly, after a short while the novelty of watching people's mouse movements wears off!

The key to using mouse tracking services to increase sales and conversions is to view a segmented sample of recordings.

For instance, let's say the goal of your landing page is to get a subscription to your newsletter. So far, 25% of your visitors subscribe. That's 75% of visitors who don't (and we want to know why, don't we!)

I would suggest viewing a sample of those who subscribed, and a sample of those who didn't.

How can we tell the difference? Most autoresponder services record the IP address of the subscriber. Some of the mouse tracking services also record the IP address of your visitor, so you can compare the two to find out which visitors subscribed, and which didn't. Then view a sample - maybe 10 or 20 recordings - of both groups.
Mouse tracking services allow you to monitor your visitor's viewing behaviour. For instance, are you finding that the majority of your visitors scroll quickly down to the bottom of your sales letter? - This is a likely indication they're looking for the price. On the other hand, if they're scrolling down slowly, they're likely to be reading your sales copy.

This is where we have to use our knowledge to try and make sense of the information.

We can also see what the visitors are typing in to our forms before they go through a subscription process. This is valuable information that the best analytics packages could never tell us.

For instance, John might attempt to use a disposable email address, but it gets blocked by your autoresponder service. (You'll be surprised how often this happens!) So John decides to use a real email address.

Your autoresponder service probably won't tell you about the first attempt, because the address was automatically blocked. Using a mouse tracking service, you'll get to see this attempt.

Click here for mouse tracking services.

8.2 Heat maps and mouse clicks

A popular way of displaying information about which parts of your site are getting the most attention is a heat map.
In the example above, the heat map shows links and areas that are clicked the most.

This can be useful to know, since you can see which parts of your site your visitors are most interested in and you might find a more profitable place to locate your ads.

This might also reveal surprises, such as parts of your site that are clicked even though no link exists... maybe that would be a good place to put a link!

Click here for mouse click monitoring services.

8.3 Heat mapping and eye movements

At a more advanced level, you can even monitor your visitor's eye movements when they are on your site!

Obviously you won't be able to do that with your visitors under normal circumstances (unless they agree to have their eye sockets plugged in to your computer in advance), but there are companies who are dedicated to doing this type of research for you. (Minus the eye socket plugs!)
8.4 Interpreting the information

Of course, having all this extra information is one thing - but what to do with it is another!

The biggest challenge is how to interpret a visitor's behaviour. Are they scrolling down to look for a price, or are they just bored?

In the end, having this extra information can help you to decide which tests might be most effective. For example, let's say you notice quite a few people are filling out your subscription form with a disposable email address, but are getting blocked by your autoresponder service.

Some of them abandon the subscription process altogether, while others then use a real address.

The million dollar question is, Why are these people using a disposable email address in the first place?

In this particular instance, you could actually ask the ones who successfully subscribe but who initially used a disposable address. Many of them might be more than willing to tell you why they were concerned.

Even if you couldn't ask, you could brainstorm all the reasons they could have done this, and then conduct a test to see if you can improve the situation.

For instance, I have personally used disposable email addresses when I want to get access to a report that is being offered for free, but don't want to be subscribed to something!

In this case, I wasn't given a compelling enough reason to stay on their list. (Bear this in mind when you offer great bonuses! You should still give people many compelling reasons to be on and stay on your list.)

In conclusion...
“Spying” on your visitors can give you very valuable additional information about what your visitors are doing when on your site - and although it still doesn't tell you why they're doing something, it can give you a better insight into why they might be doing it.

However, in the next chapter I'm going to give you some methods of actually finding out the answer to the big question of Why, not just What...

9

Eat The Breakfast Of Champions!

It’s been described as “the breakfast of champions” - it’s one of the most valuable things you can get from your visitors and customers (apart from their money), and it’s one of the most effective ways of reducing the guesswork involved in testing.

It’s called feedback.

Sure, you already knew that, didn't you? But in this chapter I'll reveal just why it's so important, and how you can get feedback at just about every stage of the selling process - even from those who refuse to give you their email address, or who don't buy from you!

Rather than using bold fonts and BIG TYPE to get my point across, I'll just remind you of Corey Rudl’s discovery that I discussed earlier (in Chapter 2), and that should do it.

After selling a limited number of his “Car Secrets Revealed” manual, Corey assumed his customers were buying to save money on their overall car expenses. Only when he surveyed his customers did he discover that 73% of
them had brought it because they wanted to learn how to buy a new car at $50 over dealer cost.

He changed his headline to reflect this, and sales shot up by over 300% in 48 hours. You remember that, don't you?

Had he not asked the right questions, it might have taken ages to find out (through testing, for instance) what his customers were already willing and able to tell him!

Please don’t underestimate the power and importance of feedback. It’s the flip-side to testing, and just as important - and hopefully this book has already convinced you how important that process is.

9.1 Feedback – when should you ask for it?

Have you ever listened to one of those call-in radio stations? Usually they tell callers to turn their radios off while phoning in. This is because, while the caller is on-air, the station picks its own sound up, which turns into a feedback loop that can result in a horrible screeching noise.

On the Internet, we want to create beneficial feedback loops. At every stage of our selling process, we want an insight into what our visitor is thinking. We'll use this feedback to continually improve our sales process.

As I've said before, testing can tell us what a visitor is doing, but it can't tell us why they're doing it.

The only way we can hope to gain any insight into the mind of the visitor is to ask.

Feedback can literally be collected at any time, but it's particularly effective after an action is taken - i.e. after visitors subscribe to your newsletter, after they buy your product, after they've installed or used it, or even after they click on a certain page.

For instance, right after they’ve signed up to your newsletter, you can ask them the question:
“What made you choose to subscribe to my newsletter?”

Like a feedback loop, the kind of specific feedback you can get from a question like this can help you find out why your visitor took the action they did. Was it because your newsletter sounded more original? Was it simply to get a bonus? If more people are signing up because of X, add more weight to X in your landing page!

Testing can tell you if adjusting an element will improve conversion - only feedback can tell you why.

You can also ask for feedback if a visitor chooses not to take an action. On your subscription form, you could add a form that can be used if they don’t wish to sign up. Ask them:

“Why didn’t you sign up to my newsletter today?”

The feedback you’ll get from this kind of question can help you find out where your offer falls short. (However, beware of the psychological pitfall I talk about in section 9.3.)

You can ask for feedback at the end of a process or after giving information.

For instance, at the end of an article, you could ask: “What did you think of my article?” The same applies at the end of an email course, newsletter, or book.

You can also ask for feedback to gain an insight into just how well your visitors understand something. Asking them if they understand, is a useful guide to tell you if and where they get stuck over something.

FATAL FEEDBACK MISTAKE #1 - “Please just take a few minutes to respond to this survey, even though you’ve just got here…”

I’ve seen sites that ask visitors to fill in a survey about the site almost immediately after they’ve entered it. I consider this to be Fatal Feedback
Mistake #1, because (a) it distracts them from reading your actual material, and (b) how can they comment on your site until they’ve fully experienced it?

Lesson? Ask for feedback at the right time – not before.

9.2 Asking the “magical questions”

The purpose of feedback from your site is ultimately to find out why a certain action was taken (or not taken), and hence to improve the conversion rate for that action.

Of course, as a visitor becomes your customer or subscriber, you can also use feedback to improve other things such as your newsletter and products.

With this in mind, how you frame your question can be crucial.

I use a series of magical questions which, when asked, can yield incredibly powerful feedback. There’s also a psychological secret behind asking certain types of these questions, which I’ll explain shortly.

I find that the most powerful magical question is this:

“Why did you buy?”

In other words, you’re asking the customer to recall the specific reason (or reasons) why they made their decision to purchase. This was the kind of question Corey Rudl asked his customers, and the answers provided him with the information that enabled him to change his headline and banners, and hence increase sales by over 300% in under 48 hours.

Of course, you don’t have to phrase the question this way. Here’s several other ways you could ask this type of question:

“What was the main reason you decided to buy?”
“*What* played the biggest factor in your decision to purchase?”

“How easy *did you find the buying process, and what* could be improved?”

Notice the use of words like, “What”, “Why”, and “How”. We’re not simply playing around with words here. How you *phrase* the question will have a *major* impact on the type of answers you get.

Questions like, “Did you think the price was too high?” will generally result in “yes” or “no” answers, which is merely asking for a show of hands. It doesn’t tell you the *reason behind* their decision.

However, by asking “why”, “what”, “how”, “when” and “where” questions, you can get to specifics. And the more specific the question, the more specific your answers will be, which will enable you to make more specific improvements.

Here’s some more magical questions you could ask your visitors and subscribers:

“Which feature is the most important to you, and why?”
“*What do you think of this idea?*”
“How will you use this?”
“What would persuade you to buy?”
“Since you didn’t buy this today, what are you really looking for?”
“When can I call you? Leave your number with me and I’ll get back to you.”

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**FATAL FEEDBACK MISTAKE #2 - “Please also answer these few (20) personal questions as well, such as your date of birth, mother’s maiden name...”**

I’ve seen sites ask for feedback, then expect visitors to fill in what seems like 20 personal questions such as address, telephone number, date of birth etc. (I suspect these sites don’t get too much feedback). Listen, visitors have to trust you before they will give you this kind of personal information.
So start off gently – get some basic feedback from visitors who don’t know you, like “what do you think of this site?” Save the more personal questions for when you’ve gained their trust (i.e. when they become customers, or have subscribed to your newsletter for a while).

9.3 An awesome psychological secret (or, How to increase your chance of getting a hot date, even if you’re not their “type”!)

There’s another good reason to ask these type of questions. It’s called the principle of consistency and commitment.

Let’s say you ask someone on a date, and they say to you, “Sorry, you’re not my type.” In my opinion, one of the worst responses you could give is to ask, “Why?”

“Why?” I hear you ask, with a hint of sarcasm.

I'm glad you asked. What happens when you ask this type of question? The other person goes inside their head and starts thinking of the reason or reasons why they think you’re not their type! “Well, I prefer X, Y and Z.” (Or they lie to you, to spare your feelings.)

Now, not only have you got them thinking about why you’re not their ideal guy or girl (bad thing!), you’ve also made them say out loud their reasons for thinking you’re not their type - another bad thing!

Here's why that's bad:

According to psychologists, people don’t like to appear inconsistent. (Sure, people are inconsistent all the time! We just hate to appear this way.) If a person’s words don’t match their actions, they can come across as indecisive, confused, or even two-faced. So when a person makes a statement, they will usually defend it and act in line with that statement, in order to avoid appearing inconsistent.

So, by asking your potential date, “Why am I not your type?”, not only do they have to stop and think up reasons or excuses why you're not, you're also
essentially committing them (by getting them to state the reasons out loud) to act consistently with that statement - *ie. to reject you as “not their type”!* 

The same principle holds true for your customers and visitors (assuming they’re human). If you ask them, “Why didn’t you subscribe?” or “Why didn’t you buy?” you *could* be reinforcing this decision in their minds.

Instead, consider re-framing the question as a positive. “What would motivate you to subscribe?” or, “What could I do to persuade you to subscribe” is positive, and may get them thinking about the reasons why they *would* subscribe. Plus, if they tell you, you’ll know *exactly* what they need in order to take the action you desire!

In fact, you could go much further than this. Let me tell you about someone who uses the principle of consistency and commitment to get hot dates who are much younger than him. He’s in his 40's, and they are usually in their early 20's. Now, with people being what they are, this would normally be a bit of a challenge. So how does he do it?

He starts out by asking the girl to name an older actor that she finds attractive, like Michael Douglas or Sean Connery. Next, he asks her to describe what she finds attractive about him. Then he gets her to explain how a young woman could fall for an older man like Connery.

Once she’s justified how she could fall for an older man (*commitment*), suddenly the age difference becomes *much* less important, and getting the date becomes so much easier! (She wants to act *consistently* with her stated reasons!)

And now you also understand why companies run promotions that invite you, in 50 words or less, to complete the sentence, “*I Like My Personal Super-Widget Automatic because...*”

Once we’ve committed ourselves to an opinion, we tend to want to act consistently with that opinion, don’t we?

Now, I know you probably won’t start applying any of these principles in your life, but what do you think might happen if you could somehow use this knowledge in your sales process? I’m not going to spoil the fun by telling you exactly *how* - that would be too easy.
But if you could somehow find out in advance what type of product your customers were looking for, or what they expect from a newsletter... if you could then put what they’ve stated they’re looking for right in front of them, how could they say no? (They could, but they’d appear inconsistent!)

Think about it.

“So, John... what kind of a newsletter would have you absolutely signing up like a shot? Aha, I see. And what kind of information would have you reaching for the subscribe button in an instant? Really? That’s interesting. And what kind of bonus for subscribing would absolutely clinch it for you, to the point where you just can’t wait to subscribe? Is that so? Well, as it happens, that’s exactly what I’m offering. Take a look! Here’s how you subscribe...”

Think about the power of this approach.

9.4 The power of “because”

While we’re on the subject of psychology, here’s something else you might find useful when it comes to feedback. (As you can tell, I’m a bit of a fan of psychology - I love to know what makes us tick!)

Dr. Robert Cialdini, author of the book “Influence” (a must-read for any marketer), talks about the effect one simple word has on how likely people will grant a favour.

“A well-known principle of human behavior says that when we ask someone to do us a favor we will be more successful if we provide a reason. People simply like to have reasons for what they do. Langer demonstrated this unsurprising fact by asking a small favor of people waiting in line to use a library copying machine: “Excuse me, I have five pages. May I use the Xerox machine because I'm in a rush?” The effectiveness of this request plus-reason was nearly total: 94 percent of those asked let her skip ahead
of them in line. Compare this success rate to the results when she made the request only: “Excuse me, I have five pages. May I use the Xerox machine?” Under those circumstances only 60 percent of those asked complied.

At first glance, it appears that the crucial difference between the two requests was the additional information provided by the words because I’m in a rush. However, a third type of request tried by Langer showed that this was not the case. It seems that it was not the whole series of words, but the first one, because, that made the difference. Instead of including a real reason for compliance, Langer’s third type of request used the word because and then, adding nothing new, merely restated the obvious: “Excuse me, I have five pages. May I use the Xerox machine because I have to make some copies?”

The result was that once again nearly all (93 percent) agreed, even though no real reason, no new information was added to justify their compliance... the word because triggered an automatic compliance response from Langer’s subjects, even when they were given no subsequent reason to comply.” 9a

When asking for feedback (or, indeed, for anything), just remember the power of “because”, because it can dramatically increase response to your request for feedback.

After all, people like to know you actually care about their opinions! And tell them what you do with it.

“I’m always looking for ways to improve my newsletter and to find out what you’re enjoying the most. Therefore I’d appreciate it if you could answer me this simple question: What’s the main reason (or reasons) you decided to sign up?”

If you want to discover more about the psychological aspects of marketing, hop over to my Internet Influence Magic blog - it's a fun read!
9.5 How to get feedback from visitors who absolutely won't give you their email address!

Here’s a question for you. If 2% of visitors buy from your site, how do you find out why the other 98% didn't?

If only 10% of visitors subscribe to your newsletter or email course, how do you find out why the other 90% didn't?

This 90% haven't given you their email address - so how are you going to ask them?

It sounds like a dilemma, doesn't it?

Back in 2003 I solved this problem when I created the concept of a Feedback Seeker™.

A Feedback Seeker™ acts like a simple web form but with three important differences:

(1) No email address is required.

It’s true that you should try and capture a visitor’s email address for later follow-up - but if they choose not to give it to you, you have to respect that!

This “email capture” culture in Internet marketing may actually prevent some people from sending a genuine feedback comment to you by email. They might not trust you enough to give you their email address. They may not want to be followed up. They may not have time to write an email. They may not have enough to say to warrant sending you an email. Or they may just want to remain anonymous.

And since your visitor's email boxes are growing ever more clogged with marketing messages and spam, can you blame them?

It’s a simple fact that not everyone who comes to your site will give you their email address, for whatever reason. A Feedback Seeker™ is for the portion of your visitors who don't wish to risk giving out their email address to yet another
marketer, but who do want to provide you with feedback.

Your visitors may feel much more inclined to leave genuine, honest feedback if they can do so anonymously. In one campaign I conducted after I first started using a Feedback Seeker™ on my own site, over 40% of my visitors left feedback using it. This is far more feedback than I ever get by email from first time visitors!

(2) The “thank you” message remains part of your sales page.

After they type their comment into a Feedback Seeker™, your visitor is taken right back to where they were in your sales letter, with the feedback form replaced by a “thank you” message.

The “thank you” message becomes part of the sales letter, ensuring that the continuity of your sales letter isn’t broken. And, as I’ll discuss shortly, there are ways you can use this unique feature to your advantage.

(3) Your email box isn't clogged with messages.

Each Feedback Seeker™ message is stored within the script that processes the feedback forms, and are instantly available on a single page from within the script's Admin Panel.

Let's face it, if just 10% of your visitors left you feedback (and I bet with a little ingenuity you could achieve a much better percentage than that!), at 1,000 visitors a day that's 100 feedback messages. Now, you can either wade through 100 emails a day - or you can use a Feedback Seeker™, and see each and every comment from a single page.

Now, I believe this to be very refreshing and original advice, since most of the people marketing on the Internet are obsessed with email “capture”. And while I absolutely agree that you should do everything you reasonably can to encourage your visitors to hand over their email address, the simple fact of the matter is that not everyone - in fact, usually the majority of your visitors - will not hand it over.

Everyone who isn’t using a Feedback Seeker (or some other method of getting feedback without the use of email) is practically ignoring this part of their
audience, who are usually in the majority.

Now, I want you to fully understand the power of this method of getting feedback. If you can get just 10% of your visitors to leave you feedback, at 100 visitors a day and 10 feedback messages, that’s 10 more insights into your visitor’s mind that you didn’t have before.

And, as I’ve experienced myself, and will show you below, even just one of these insights can give you a clue as to where your profit increasing elements are hidden.

For instance, the very first Feedback Seeker™ I used myself was at the bottom of my sales letter for the script I was selling at the time, which could do split testing, Dynamic Deadlines and Feedback Seeker™ all in one. (I’ve since split the script up, to make it more manageable.)

The question I asked was this:

"Which feature of Sales Page Master LITE sounds most appealing to you... and why? (Your email address is not required, although if you leave it I'll send you a personal thank-you. Don't worry, I won't add you to any mailing list!)"

Now, I received hundreds of useful comments on what each person’s favourite feature was, and why. (In fact, about 40% of visitors left me feedback!) The following is just a small sample of the feedback I received:

<table>
<thead>
<tr>
<th>Feedback Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Split run testing. I'm launching my new site and want to start testing from Day One.</td>
</tr>
<tr>
<td>Feedback seekers...I can't grow stronger until I understand, and overcome, my weaknesses.</td>
</tr>
<tr>
<td>One page of feedback responses requiring no email address.</td>
</tr>
<tr>
<td>Split/Run Testing, because little changes can make a big difference</td>
</tr>
<tr>
<td>It is hard to pick just one, but I like the Feedback Seekers feature. People are just too hesitant about providing feedback because they don't want to give their email address out to yet another marketer.</td>
</tr>
<tr>
<td>I like the idea of finding out why my customers left. My site sells products (outdoor equipment) and it is really hard to tell why they did not buy.</td>
</tr>
</tbody>
</table>
Dynamic Deadlines sounds very appealing indeed.

dynamic deadlines – i’m tired of seeing those auto-generated javascript deadlines that everyone uses!

I Love the idea of dynamic headlines - because it annoys me to go to a page that says you can buy for $10 less if you buy in the next 10 minutes and then when you revisit you get another 10 minutes. I like the idea that when they return they will have 1 hour less whatever time they used up in their previous visit. It makes your offer more genuine. Thanks

The dynamic headlines sound awesome because it opens up a world of possibilities regarding pushing the visitor/prospect toward purchasing. What a great trigger!

Special "Limited Quantity" Offers since it automates the limited quantity offer

Limited Quantity Offers. Could be used in much the way K-Mart used to use blue light specials. It'd be familiar to customers in that sense.

However, along with these I also received comments that highlighted improvements I could make to my ad copy and product without necessarily conducting a split test.

Hi Paul, I came looking for price etc on sales page master pro - now I'm confused, and out of time - will have to return.

This single comment demonstrated a big weakness in the copy I was using at the time - there was no way of purchasing the pro version of my script from that page. And yet this visitor had been interested in finding out the “price etc”. Maybe I’d lost a sale because of this!

I'm most interested in Split/Run and Feedback. Have you considered making it windows compatible or helping someone make it compatible without your needing to program it?

At the time Sales Page Master lite and pro were only available to sites hosted on Unix or compatible servers. This single comment reminded me of how I could expand my market and hence increase my sales.

not sure if I completely understand it

Another simple yet extremely valuable comment, which reminded me that not everyone understands the concept of “split testing” or “dynamic deadlines” the
first time it’s explained to them - part of the reason I wrote this special report!

Hopefully from this small sample of comments you can see just how valuable a Feedback Seeker™ is. Each comment is an insight into the mind of your visitor, which testing cannot give you. As I said earlier, testing can tell you which version of a sales letter is pulling best, but only feedback can tell you why.

Another interesting statistic I discovered is that over 97% of the visitors who left feedback did not leave their email address, even though I suggested they could. This, to me, proved what I already knew - that people are much happier about leaving feedback when they don’t have to identify themselves or give out personal information.

A Feedback Seeker™ can be used in all kinds of ways to gather feedback and hence improve your conversion rate. Here’s a few suggestions:

- Put a Feedback Seeker™ on an exit pop-up, and as they leave your site ask them something like, “Why didn’t you buy from us today?”, “What would motivate you to buy from us?” or “What could we do to improve our product?”

- At the bottom of your sales letter, near the price, you could have a link: “Click here if you’ve decided not to order.” On this page you could ask them: “What price would you be prepared to pay?” Ask them also to leave their email address and you could make them an offer!

- At the end of every article you publish on your site, use a Feedback Seeker™ to ask the question: “What did you think of this article?”

- Let your visitors interact with your sales letter by asking them questions and enabling them to give their own answers. Or you could make a statement and ask them if they agree or disagree, and why.

- Use a Feedback Seeker™ as a test. Ask a question to see if they fully understand what you’ve been talking about, and use the thank-you message to reveal the correct answer. You can then use the feedback to see how many people actually understand your material.

- Use them as a kind of “suggestion box” for ideas on how to improve etc.
Use them to enable visitors, clients, employees etc. to complain anonymously.

Remember that feedback has been described as the “breakfast of champions”. This is because, to paraphrase one of the anonymous visitors who left me feedback, you can’t grow stronger until you understand and overcome your weaknesses.

Why limit yourself to asking for feedback at just one or two places on your site? With my Feedback Seeker™ script you have an unlimited number of Feedback Seekers at your disposal, so why not ask a feedback question on every page of your site, and after every major decision point?

If they subscribe to your newsletter, ask them why. If they didn’t, find out why not. If they read your article or report, ask them what they think. If they click on to Page 2 of your letter, ask them what motivated them to do so. If you’ve just introduced a new concept on your sales letter, ask them what they think of it, and if they understand it.

Gather as much feedback as possible at every major decision point on your site, and you will have more intelligence and understanding about the mind of your visitors than 99% of your competitors!

If you don’t believe this strong assertion, here’s how prove it to yourself in two minutes. Go to your favourite search engine, type in a few keywords that are relevant to your site, and check out a few of your competitor’s sites.

How often do they ask for feedback, if at all? When and where do they ask for it? Most sites simply include a “contact us” link at the bottom, and you’ll almost always need to use your email address to leave any feedback. How much feedback do you think they’re getting from their visitors?

By using just one Feedback Seeker™ on your site, you are dramatically increasing your understanding of how your visitors think, feel and behave, and their opinions, giving you a major competitive advantage. Just think what using multiple Feedback Seekers at different points could do!

Another benefit of having Feedback Seekers™ is that it enables your visitors to
quickly and easily report any problems on your site. To give you an example - on one of my blogs I put up a link for people to sign up to be notified of the launch of one of my products. Unfortunately, the link was broken! The advantage of a blog, however, is that people can leave comments, and a couple of visitors kindly pointed out the broken link.

If you have a Feedback Seeker™ on a static page, then it enables people to report these problems to you quickly and easily.

**Click here for more details on Feedback Seekers.**

In a few moments I’ll discuss how you can use this information to virtually **guarantee** that the majority of your split tests will be successful. First...

### 9.6 Gathering feedback from your customers

Your *customers* are the ones who can supply your best feedback, because they have already voted for you with their *money*. They've already purchased your products and services.

You should have much less problem getting feedback by email from a customer (so a Feedback Seeker™ is unnecessary at this point), because they've already demonstrated their trust in you when they purchased.

Listen, if you're serious about improving your profitability, then you should also be serious about customer feedback. After all, customers are a great source of repeat sales (and hence more profit!) as well as positive word-of-mouth referrals and testimonials, and ideas for improving your product.

*In short, happy customers are one of your greatest assets.*

One of the keys to successful feedback gathering is to ask and encourage your visitors to be brutally honest with you. If they don't like the way you handled something, or if they're not happy about something, you *want* to know about it as early as possible.

Negative feedback can be hard to take - but it's *vital* to know your own weak points and flaws as quickly and as early as possible. Otherwise, those weak
points could develop into refunds later on - or worse, bad word-of-mouth or publicity that could damage your reputation.

If you were building a bridge, and somebody pointed out a dangerous weak spot that could cause it to collapse within a few years, would you be offended, or would you be eternally grateful to the one who pointed it out?

Don't get offended or hurt by negative feedback, because they are just pointing out potential weak spots on your bridge to you and your business becoming massively successful.

If your customer has a complaint, or gives you negative feedback, the absolute minimum you should do is apologize, acknowledge the complaint, and correct any problems as quickly as possible. This will turn an unhappy customer into a content one.

However, a happy customer is far better than a content one, as you'll see. So why not go beyond merely resolving the problem, which 95% of other businesses do? Why not give them an extra bonus, product or a substantial discount on a future product, as an acknowledgment of the inconvenience they've experienced? Consider refunding part or all of their money, cheerfully and happily.

In this age of automated this and automated that, why go to all the extra trouble?

Because a happy customer...

... will tell their friends, colleagues and family members about the experience - not just about the problem, but how you “made it right”. (If you don't convert them to being a happy customer, they may still talk to their friends, colleagues and family about the situation, but they'll miss out the happy ending),

... will trust you much more in the future - you've proved you'll stick to your word, your guarantee, etc.,

- is much more likely to buy from you again.

A study conducted by the Research Institute of America for the White House Office of Consumer Affairs showed that 90% of people that are dissatisfied with
the service they receive don't come back and buy again. *And they will recount their experience to at least nine, and sometimes as many as twenty or more other people.*

On the other hand, if their complaint is resolved satisfactorily, 70% will do business with the company again. This goes up to 95% if the customer feels their problem was resolved quickly.

So why strive for customer *satisfaction*, when you could go for customer *ecstacy*? In short, are you promising “customer satisfaction or your money back”, or would you bulldoze their house to get it right for them?

### 9.7 Setting up automatic customer feedback loops

The Internet makes this whole feedback gathering process remarkably easy, so there really is *no* excuse for not doing it.

For instance, here's how I do it with one of the pieces of software I sell, *Traffic Personalizer*.

Once they purchase, they are taken to a “thank-you” page where customers are asked to fill in a brief form to register for updates - about 90% of customers fill the form in.

When they do this, they're added to an autoresponder, with the first message set to thank them again for their purchase.

The autoresponder is set to send a follow-up message 3 days later, which asks them for feedback on how easy they found the installation process. The feedback I've obtained so far has helped me to gradually improve the process and quickly discover any problems that have arisen. The email reads something like this...

```
Hi [FIRSTNAME]

Thanks again for purchasing Traffic Personalizer some 3 days ago. Hopefully you've had a chance to get it up and running. I just wanted your very quick feedback on how you found
```
the installation process. I'd really appreciate if you could answer the following four questions as honestly as possible (no matter how harsh!), so I can improve the process and make your experience better...

(1) How easy did you find the process of installing the script?
(2) Did you encounter any problems installing it? If so, what type of problems?
(3) Is there anything I could do to improve or make the installation process easier?
(4) Finally, how did you hear about Traffic Personalizer?

Thanks in advance for your feedback. Don't forget, you have 90 days technical support as part of your purchase, so please email me if you have any problems or queries.

Best,

Paul Hancox
http://www.trafficpersonalizer.com

Another message is sent 3 days after the above. This time, I'm asking for feedback on the script itself. Since the questions are more detailed, I offer an incentive with the feedback. (If you're curious why I give the incentive *with* the feedback, and not *after* they've given it, there's a very good reason. See my Internet Influence Magic blog post, *An Amazing 76% Response To A Survey Using The Law Of Reciprocation*.)

The email reads something like this:

Hi [FIRSTNAME]

Thanks again for purchasing Traffic Personalizer. I’d like a little more feedback from you, and I have an exclusive special report which you can download immediately, as a thank you in advance for your feedback.

You can download the report here: [link]
I’d really appreciate if you could answer the following 4 questions as honestly as possible. I take feedback very seriously (most of the previous changes to the script have been based on feedback from users), so any suggestions you can think of will be helpful...

(1) What was the most important factor in your decision to purchase my script?

(2) How easy are you finding the script to use?

(3) Can you think of ways in which the script could be improved?

(4) What features would you like to see added to the script?

Just remember to download your free report, as a thanks in advance for your feedback. You have 90 days of technical support as part of your purchase, so please email me if you have any problems or queries.

I look forward to hearing from you!

Best,

Paul Hancox
http://www.trafficpersonalizer.com

See, apart from the cost of an autoresponder service, sending out emails like this costs you virtually nothing, but the feedback you can get from your customers can be incredibly valuable.

9.8 Using feedback to improve your testing success

Ultimately, feedback is only as valuable as the use to which it is put. The reason I suggest asking for feedback at every action point, is so that you can increase its conversion rate, and hence boost your sales.

For instance, let's say you asked visitors who were leaving your site to comment on what price they would be prepared to pay for your product. Although you’d get widely differing responses, let’s say the indication is that if you dropped your price by $20 you would get many more sales.

You could then conduct a split test to see whether this is actually true or not.
You can use the feedback to give you ideas on what to test. If the majority of visitors are telling you that they like one feature of your product in particular, test a headline and copy that emphasizes this feature.

Six Continents Hotels, the company behind brands such as Holiday Inn, Crowne Plaza and InterContinental Hotels, wanted to increase its conversion rate, so it hired a company to find out why some users left their online reservation site before completing the transaction. “By listening to their users,” said Jerry Tarasofsky of iPerceptions Inc., CEO of the company that did the research, “we found that visitors... were wary about sharing confidential information. As well, our research revealed users felt they could find better prices using an alternate channel to make a reservation.” As a result, Six Continents “increased the prominence of privacy and security standards by wrapping all their enhancements in [a] 'Book With Confidence' program,” and they also “established a 'Low Price Guarantee' which has been aggressively promoted throughout the site.”

Although they didn't track the exact effects of each individual change, it's clear they were improvements. According to a Six Continents press release, revenue growth for Six Continents Hotels' Internet bookings shot up 80 percent within a year. When you ask your visitors what they'd like to see improved, why they're buying or not buying, and actually pay attention to their reasons (like Six Continents did), you'll almost always get ideas and suggestions for improving your bottom line.

10

Pushing The Limits

In this book I've probably given you the impression that the conversion rate is
the most important thing in your business. Well, it's not. The most important aspect surely is your *bottom line*. Conversion rates are just a *guide* to how well you're doing.

After all, if you're getting a 50% conversion rate to a product that makes you no money, it's a great conversion rate, but *you're not making any money*!

So when I talk about “maximizing your conversion rate”, I don't mean at the expense of the bottom line. It's like the price testing I mentioned earlier. The lowest price might convert the best, but it doesn't necessarily produce the most profits.

In this chapter we're going to discuss pushing the limits and sending your conversion rates sky high!

### 10.1 Segmenting your campaigns

Your overall conversion rate is really just an *aggregate* of individual campaign conversion rates. So if you get equal traffic from sources A, B and C, each converting at 1%, 2% and 3% respectively, then your overall conversion rate is 2%.

However, you might be better off diverting all the resources you're spending on A and B into source C, which is converting the highest, at 3%.

Of course, you'd only know this if you were able to determine the conversion rate of each *individual* campaign. So it may be worth keeping your major campaigns separate, so you accurately track the results. In other words, create a whole separate section of your site (or even a new site) for each campaign.

*If you want to maximize your overall conversion rate, drop the campaigns which are converting less well, and invest more in those that are converting best.*

This is why you always want to be testing different campaigns, techniques and audiences. If you were to discover a method of advertising that converted at 4%, why not switch your resources to this method.
10.2 Improve your ad targeting

I know of many sites that are converting at 10% or higher, and it's not necessarily because they're using a great sales letter. In fact, some of these sites don't use the “sales letter” format at all, which is why I also suggest you test the sales letter format versus some other format.

Ultimately (and this is another secret you won't hear many marketers talk about!), you can engineer your own conversion rate!

Now, please don't misunderstand me. I'm not talking about cooking the books, fiddling the figures or anything like that.

What I mean is this: you are ultimately in control of what type of traffic you get to your site.

Your conversion rate is critically dependent on the type of traffic you get. If your product is expensive and most of your traffic is coming from “freebie seekers”, the number of people who buy from you is likely to be extremely low, and hence your site will have a low conversion rate.

If your product is aimed at dentists, and your advertising is pitched to doctors, you'll also get a low conversion rate.

On the other hand, if you advertise in magazines and publications targetted to dentists, you may get less traffic, but you'll probably get far more sales - and so your conversion rate will be much higher.

10.3 Pre-qualifying your visitors

Pre-qualifying your visitors means that you check that they're qualified to become customers even before they get to your site.

I already discussed this earlier, when I discussed pay-per-click advertising. If you sell loans only to homeowners, you can pre-qualify your visitors by making your requirements clear in your advertising - maybe in the title of the ad “Attention homeowners...” or by putting a qualifier in the ad itself: “Homeowners only.”
10.4 Pre-selling, or How to get your affiliates selling like crazy!

If you owned a restaurant, and 98% of those who came in simply walked back out without eating there, you'd either go bust very quickly, or you'd need 10,000 people to come in just to get 200 paying customers a day.

“But that's a restaurant,” you might say. “People usually go into restaurants with the intention of eating there.”

“Precisely,” I'd reply back, with a smug grin on my face - a grin that you'd probably find quite irritating.

The conversion rate of those who go into a restaurant and those who eat there is probably very high - maybe close to 95% or 100%.

That's because the customer has been pre-sold. Most of them have already decided to eat there, before they enter the restaurant.

If you can pre-sell your visitors (i.e. get them interested in buying your product even before they enter your site), your conversion rate could naturally be much higher, so long as you don't do anything on your site to put them off buying!

In a sense, putting “The Best $50 Book On X You Can Buy” in your pay-per-click ads is a form of pre-qualifying and pre-selling, because you're making it clear to potential “clickers” that you're selling a book.

This is where having a network of affiliates who sell your product can be very handy - they can do the pre-selling for you!

Now, pre-selling is a concept you really want to teach and demonstrate to your affiliates. I see many affiliate schemes say to their members, “Put this banner (or link) on your site, and earn 50% commission!”

That's all very well, but it doesn't really show them how to pre-sell.

I understand why this is done - the owner of the affiliate network is essentially saying, just send me the traffic, I'll do the selling.
The drawback with that approach is, it misses all the benefits of having affiliates pre-sell for you.

Your affiliates have their own newsletters, customer lists and repeat visitors. They may have built these things over a period of time, and they've probably earned *credibility* and *trust* with their subscribers, clients and visitors.

If you encourage your affiliates to pre-sell, you can leverage this credibility and trust - with the benefit to *the affiliate* that they'll likely sell a lot more, and to *you* that these visitors now come to your site pre-sold.

The best possible type of pre-sell is from an affiliate who has actually *used* your product, and is already benefiting from it. They can give their honest opinion about the product itself, and how it has helped them, without coming across as simply trying to push a product to earn commission.

I would recommend that you encourage your affiliates to write their own endorsement of your product, not a canned one that you provide - although a *template* for them might be useful.

What, though, if an affiliate hasn't used your product, and has joined purely for the commission? Why not consider “lending” your product to them on a trial basis (i.e. 30 days), on the condition that they write their own endorsement based on that trial period? After this, they either agree to purchase the product for themselves, or stop using it.

I know many affiliate marketers who are able to sell to their lists simply because they've endorsed a product. So your sales letter may end up just being the “clincher”, while the affiliate has essentially done all of the selling for you!

Just remember - the more *pre-sold* a visitor is, the more likely they are to buy from you.
11

Thinking “Out Of The Box”

11.1 “Unusual” things to test - you won’t see your average “guru” mention these, but they could increase sales!

YOUR BOOK TITLE

E. Haldeman-Julius was a master bookseller - and a radical marketing tester. During the 1920s and 30s he sold over 200 million books with some 2,000 different titles. This gave him a unique insight. He eventually knew, from hundreds of tests, which book titles would sell, and which wouldn’t.

Haldeman-Julius didn’t use sales copy when advertising his books - he sold them on the titles alone. If a title didn’t sell over 10,000 copies a year, he would put them in a place called “The Hospital”, where he would revise the title and republish it.

For instance, a book published by Haldeman-Julius called “Patent Medicine” sold just 3,000 copies in 1925. When he changed the title to “The Truth About Patent Medicine”, sales shot up to 10,000.

After selling 100 million books this way, Haldeman-Julius published The First Hundred Million, which contained some unique and amazing insights into what worked (and what didn’t) when it came to selling books. His book contained precise sales figures for each title.

Even though the book covered the period from the 1920s and 30s, most of the lessons he learned are just as true today. We still see the same buying patterns for books. (Many of the best sellers, for example, were about sex.)

There’s some fascinating comparisons. “The Romance of Words” sold about 10,000 copies. When changed to “How To Improve Your Conversation” it jumped to 77,000.
“How I Psycho-Analyzed Myself” sold 13,500, while “How To Psycho-Analyze Yourself” sold 43,000.

Now, just think - if a simple change of title could increase sales for Haldeman-Julius, could it work for you?

Even though it's radical, what's to prevent you from conducting a test on the title of your book or special report itself? True, there might be additional costs associated with doing this (such as designing two front covers instead of one), and it's probably easier to test this aspect early on, before your publication is widely known and quoted.

However, you'd test in exactly the same way as for any other split test - test at least two different titles and see which sells the most! (Don't forget to keep all other aspects of your sales process fixed, so you know for sure whether the title change has had an effect or not.)

In the end, why stick with a book title if you discover a better one that could sell more? Haldeman-Julius built an entire publishing empire largely because of this technique!

YOUR PRODUCT TITLE

In a six week experiment involving 140 customers, researchers at the University of Illinois found that when a restaurant named dishes using geographic, sensory or nostalgic labels such as “Grandma's Zucchini Cookies” (instead of just “Zucchini Cookies”), “Succulent Italian Seafood Filet” (instead of “Seafood Filet”) and “Homestyle Chicken Parmesan” (instead of “Chicken Parmesan”), sales increased by 27% and improved attitudes towards the food, the restaurant, and whether they were likely to return!

So why not test your product titles? You never know... Grandma's Taguchi Tester might just sell better!

YOUR BACKEND PROCESS

You'll hear talk of “backend sales” from many marketers (myself included), and
indeed you should have additional products and services to offer your customers - but how many of these backend processes are tested?

All you need is a conversion rate. For instance, if 10% of customers of your first product go on to buy your second, that's a figure you want to improve by testing.

If you use an autoresponder sequence that automatically follows up on your customers, then simply use two autoresponders, and split your customers between the two. You can then use split testing to find the best follow-up sequence.

11.2 Testing on blogs

In the first chapter I highlighted one of the many objections I hear to not testing. One of those is...

*I have a blog, so I don't need to test.*

So you don't want vastly more traffic to your blog, subscribers to your RSS feed, and more sales from any products you happen to sell from your blog?

Fair enough. But consider this...

John Wesley of pickthebrain.com regularly submitted his blog posts to the social bookmarking sites such as Digg, Reddit and StumbleUpon.

He wrote a post with the title “The Two Types Of Cognition”, and submitted it to Digg, Reddit and StumbleUpon. It resulted in about 100 visitors over the next few days.

The people who came were reading his articles - he just felt he wasn't getting *enough* people reading them.

He re-wrote the headline, changing it to “Learn To Understand Your Own Intelligence”, and submitted it to the same sites. His article made it to the second page of Reddit, got a few Del.icio.us tags, and some stumbles from StumbleUpon.
Reddit got him some good traffic, but it really took off with StumbleUpon. Within a few short days he received some 5,000 unique views.

In other words, the exact same article had dramatically different results - all because of a change in the headline! 11a

Conclusion

Congratulations, you've reached the end of my special report!

Now, if you were to think back for a moment, to just before you started reading, has this report helped you to gain a different perspective on internet marketing?

For instance, before you started reading, did you think that traffic was the most important aspect of online marketing, with conversion and testing somewhere down the list of “things to do”? However, now you've come to realize that, when you build a great conversion rate early on, you'll be able to make more sales, afford more advertising, grow your business quicker, and get testing results so much more quickly.

Before you started reading this report, what did you think of split testing and multivariate testing? Were you aware of the significance of “significance”? Were you confident about “confidence”? Were you keenly aware of the pitfalls of testing, such as not gathering enough information, placing too much importance on small samples, or jumping to conclusions too early?

Had you considered the range of things you could test, such as your headline, the first few paragraphs (“The Clash Zone” - can you still hear it?), the order form, your graphics and pictures, whether to include navigation links at the top or not?

If you have a low traffic site, before you started reading this report had you
concluded that split testing wasn't you for, that it couldn't help you to increase your sales because you weren't selling enough stuff to make testing worthwhile?

Before you started reading, did you realize just how important the “Clash Zone” was? Were you using devices such as “propellers” to get people to read your sales letter? Were you aware of the power of “microchoices” and “microrewards”?

How seriously did you view feedback? When were you asking for it? Did you know how to gather it, even from people who didn't want to give you their email address?

The reason I'm asking you is because I'd like you to stop... to pause... and to take just a few moments to realize just how profoundly your thinking has changed, from when you first started reading this special report, until now.

You see, every so often I still get people asking me questions like, “I have a site that converts 3% of visitors into customers... is this a good conversion rate?”

Here's how I used to answer them: “Well, the average site converts at about 2%, and your conversion is a bit higher than average, so you're doing quite well. Here's a pat on the back!”

Now I look at things in a whole different perspective, and hopefully now you'll do too. I'd answer them with a question: “How much have you tested?”

If they say, “Not much...” then I say to them, “Well then... your answer is, go test. Until you test, how do you know that your site, with its 3% conversion rate, isn't actually capable of 4%, or 6%, or 10%? If your site is capable of converting 10%, then your current 3% conversion is bad, because you're losing sales and revenue that should be yours!”

It's all about perspective, isn't it?

I really believe the main reason most people don't test is not because it's too difficult or anything like that - but simply because nobody's explained why it's so critically important to do so, and at the same time, so massively beneficial to do so right from the start, even with just 10 visitors a day.
And that's why I wrote this report.

Even if you only have 10 visitors a day, you can test. Aim to capture your visitor's email address, perform some simple A/B tests to maximize the visitor to subscriber rate, and then do the same thing to maximize your subscriber to sales rate - and already you'll be doing more testing than 95% of your competitors.

There's a lot of very valuable information in this book, but the most valuable piece of advice is yet to come, in the next sentence. Here it is...

*Just get started. And take things one step at a time.*

Don't worry about Taguchi or multivariate testing at 10 visitors a day. Just get started, go for the subscription, maximize this conversion, then work on the other end, the subscription to sales rate - all the time gathering feedback from your visitors on why they're taking (or not taking) action.

Here's another valuable sentence...

*Write down a plan.*

Brainstorm a whole bunch of ideas for increasing your subscription rate, then send some traffic to your site and put what you think are your best ideas to the reality of an A/B test.

Then brainstorm a whole other bunch of ideas for increasing your subscription to sales rate, and do the same again.

Then, when you've got a little sales process that's converting well, send more visitors through it.

And then find some more things to test!

Anyway, I'm just about done here... but if you enjoyed reading this, you'll be pleased to know I'm a fairly regular blogger. Come on over and say Hello!

*Internet Influence Magic*

*The Smart Web Letter*
Finally, [click here](#) for more information about becoming an affiliate and helping others to discover the awesome benefits of testing and tracking.

Thanks for reading, and here's to your testing success!

Paul Hancox  
[smallchangesbigprofits.com](#)  
August 2007

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**Appendices**

**APPENDIX A**

If I were to toss 4 coins, there are 16 possible outcomes:

<table>
<thead>
<tr>
<th>HHHH</th>
<th>HHHT</th>
<th>TTTH</th>
<th>HHTT</th>
</tr>
</thead>
<tbody>
<tr>
<td>THHH</td>
<td>TTHH</td>
<td>TTHT</td>
<td>HTHT</td>
</tr>
<tr>
<td>HTHH</td>
<td>THTH</td>
<td>THTT</td>
<td>HTTH</td>
</tr>
<tr>
<td>HHTH</td>
<td>THHT</td>
<td>HTTT</td>
<td>TTTT</td>
</tr>
</tbody>
</table>

(where H is heads, and T is tails.)

2 of these 16 outcomes have all 4 as heads and 0 as tails, or vice versa:

- HHHH
- TTTT

So there is a 2 in 16 chance of this occurring, i.e. 12.5%.

8 of these 16 outcomes have 3 heads and 1 tail, or vice versa:

- THHH
- HHHT
- TTHT
So there is an 8 in 16 (or 1 in 2) chance of this occurring, i.e. 50%.

6 of these 16 outcomes have 2 heads and 2 tails:

HHTT   THTH
TTHH   HTTH
HTHT   THHT

So there is a 6 in 16 chance of this occurring, i.e. 37.5%.

**APPENDIX B**

To conduct this test, I used the random number generator function on my scientific calculator, which can generate random numbers between 0 and 0.999.

To simulate the effect of letter B converting 40% more than A, every time I generated a random number, it would be credited to “letter A” if the number was less than 0.417, and to B if it was 0.417 or greater.

In other words, this simulated a 41.7% chance of a sale coming from “letter A”, and a 58.3% chance of it coming from letter B, which makes a sale from “letter B” about 40% more likely.

Then I generated 50 random numbers. The results were:

<table>
<thead>
<tr>
<th>1</th>
<th>B</th>
<th>11</th>
<th>A</th>
<th>21</th>
<th>A</th>
<th>31</th>
<th>B</th>
<th>41</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>A</td>
<td>12</td>
<td>A</td>
<td>22</td>
<td>A</td>
<td>32</td>
<td>B</td>
<td>42</td>
<td>B</td>
</tr>
<tr>
<td>3</td>
<td>A</td>
<td>13</td>
<td>A</td>
<td>23</td>
<td>B</td>
<td>33</td>
<td>B</td>
<td>43</td>
<td>B</td>
</tr>
<tr>
<td>4</td>
<td>A</td>
<td>14</td>
<td>B</td>
<td>24</td>
<td>A</td>
<td>34</td>
<td>B</td>
<td>44</td>
<td>B</td>
</tr>
<tr>
<td>5</td>
<td>B</td>
<td>15</td>
<td>B</td>
<td>25</td>
<td>A</td>
<td>35</td>
<td>B</td>
<td>45</td>
<td>A</td>
</tr>
<tr>
<td>6</td>
<td>A</td>
<td>16</td>
<td>B</td>
<td>26</td>
<td>A</td>
<td>36</td>
<td>B</td>
<td>46</td>
<td>B</td>
</tr>
<tr>
<td>7</td>
<td>B</td>
<td>17</td>
<td>A</td>
<td>27</td>
<td>B</td>
<td>37</td>
<td>B</td>
<td>47</td>
<td>B</td>
</tr>
<tr>
<td>8</td>
<td>A</td>
<td>18</td>
<td>B</td>
<td>28</td>
<td>B</td>
<td>38</td>
<td>B</td>
<td>48</td>
<td>B</td>
</tr>
<tr>
<td>9</td>
<td>B</td>
<td>19</td>
<td>B</td>
<td>29</td>
<td>A</td>
<td>39</td>
<td>B</td>
<td>49</td>
<td>B</td>
</tr>
<tr>
<td>10</td>
<td>A</td>
<td>20</td>
<td>A</td>
<td>30</td>
<td>A</td>
<td>40</td>
<td>A</td>
<td>50</td>
<td>B</td>
</tr>
</tbody>
</table>
APPENDIX C

The table is based upon the following formula, where $S$ is the sample size, $P[A]$ is the probability of an action occurring from letter A, and $P[B]$ is the probability of an action occurring from letter B.

$$S > \left( \frac{1}{(P[B]^2 - P[A]^2)^2} \right)^2$$

---

Credits

Chapter 1

1a From *Stealth Marketing* by Jay Abraham
© 2000 Abraham Publishing Group, Inc.

1b Extract from *Best Winning Ad Secrets*, Volume 2: Number 2
http://adanalysis.com/04newsletters/bwas/bwas0202.html
© 2002, 2003 Scott C. Miller

1c From *10 Quick and Easy Ways to Increase the Profits of ANY Web Site Overnight* by Terry Dean
© 2000 Terry Dean, Business Systems

1d Extract from the article *How This Best Kept Internet Marketing Secret Can Catapult You To Success* by Corey Rudl
http://www.arigola.com/coreyrudl/bestkept.html

1e *Getting Everything You Can Out Of All You've Got* by Jay Abraham
© 2000 by Jay Abraham
First published in 2000 by St. Martins Press, New York, USA
Chapter 3

3a From the article “When Testing More Is More” by Ken Magill
http://multichannelmerchant.com/webchannel/marketing/testing_more/index.htm
© 2007 Penton Media, Inc.

3b Adwords Help Center: “Website Optimizer Technical Overview”
http://adwords.google.com/support/bin/answer.py?hl=en&answer=61146
© 2007 Google

3c “Multivariable Testing” by MarketingExperiments.com (29th December, 2005)
http://www.marketingexperiments.com/improving-website-conversion/multivariable-testing.html
© 2005 DTI

3d “Short Copy: A Capitalist Perspective” by James Brausch
http://www.jamesbrausch.com/?p=718

Chapter 4

4a From the article “Secrets of Successful Sales Letters” by Renae E. Gregoire,
published in The Tampa Bay Marketer’s Report, December 2002

4b “There Are No Best Practices” by Kevin Gold
© 2007 Search Marketing Standard, Inc.

4c Extract from “The Order Process - How can you increase your sales by improving your completed sales ratio?” - a report by MarketingExperiments.com
http://www.marketingexperiments.com/improving-website-conversion/order-
From the article “More Customers Using Risk Reversal - Guaranteed!” © 2002 Down To Business Pty Ltd


“Free Multivariant Testing For Blogs” by Terry Dean http://www.terrydean.org/free-multivariant-testing-for-blogs/


Chapter 9


From the article, “The Wired Hotel: Enhancing Your Web Site's ROI or How To Increase Your 'Look-To-Book' Ratio - A Case Study” by Jerry Tarasofsky, CEO iPerceptions, Inc. © 2003 WiredHotelier.com

Chapter 11

“Case Study: How a Headline Made the Difference Between 100 and 5000 Visits” by John Wesley http://www.pickthebrain.com/blog/case-study-how-a-headline-made-the-difference-between-100-and-5000-visits/