Bonus #1:
The Guide to ROI

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Introduction

You've placed ads in ezines, on websites, on blogs, alongside search engine results, in offline publications, on the radio… and just about every place where you'll target market will see them.

Let me ask you this:

Which of these ads is making you money?

Which ones are giving you the best return on your investment (ROI)?

Which ad venues work the best?

Many business owners and marketers wouldn't be able to answer this question.

Instead, week after week they pump money into their advertising, figuring if they're making a profit overall, then that's "good enough."

But it's NOT good enough. Some of these ads could be tweaked to provide a higher conversion rate. Some of the ad venues could be dumped because they're not performing.

The business owner might even have a killer ad that's being under-utilized because he or she doesn't realize the ad performs so well. And the only way to know for sure is by testing and tracking the ads.

> Example: Let's imagine for a moment that you have an ad selling a $50 product that's returning a 1% conversion rate (one buyer per 100 visitors). That means for every 100 visitors who see the ad, you make $50 (gross). If your ad expenses are $25 for every 100 visitors, then your net profit is $25 for these 100 visitors.
>
> Now imagine if you tested another version of your ad and discovered a headline improvement that boosted your conversion rate to 2%. Now you're making $100 for every 100 visitors. And since your ad expenses remain the same ($25), you're now making a $75 profit for every 100 visitors.

That's the power of testing and tracking. Do it right and you can give yourself an instant pay raise. Read on to learn how…

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What Should You Test and Track?

What parts of your marketing campaigns can you test and track?

The short answer is "everything."

However, you'll want to start by testing and tracking those elements of your ads and campaigns that tend to have the biggest impact on the conversion rate. These elements include:

> **Ad headline.** The headline is the most-read part of your ad, so it can make or break your conversion rate.

> **Ad body.** If the ad is short (like a PPC ad), then you can test the entire body. If it's a long ad, such as an email solo ad, then you'll want to test the elements of the ad separately. That means testing things like the ad opener, any sub headlines, the call to action, and the P.S.

> **Keywords.** If you're using PPC advertising, then you'll want to test and track the keywords you're bidding on to see which ones produce the best results.

> **Ad venues.** This is where you place the same ad in multiple places to see which venue brings you the best response. That way you know which publications, websites, newsletters, radio stations and other venues bring you the most sales.

> **Ad placements.** Sometimes in a single publication or on a website you have the option of placing ads in different locations

> > Example: In newsletter ad you may buy the top ad placement, the middle ad, or the ad at the bottom of the newsletter. And since these three different placements can impact your conversion rate, you should test it.
> >
> > Another factor to consider is size. This is particularly important when you're placing newspaper display ads and classified ads. You'll want to test to see if it's worth the extra cost to buy a bigger ad.

➢ **When you place the ad.** If you find a publication that gives you a good overall conversion rate, then you can drill down a bit and test days of the week.

> `Example: You can test a classified ad to see whether you get a better response in the Saturday paper or the Sunday paper.`

➢ **Your landing page.** All your ads point to a landing page, which is usually either a sales page or subscription page (where you encourage prospects to join your list). Just as you test every other part of your campaign, you need to also test your entire landing page, including the headlines, openers, guarantee, P.S., order form, upsells and so on.

> `Tip: Test and track your actual ads until you find your best-converting ad. Then you can start testing this proven ad in different venues. For fast results, try PPC advertising, which can tell you very quickly if your ads are working. Be sure to choose targeted keywords and weed out any non-performing words.`

Now that you know what to test, let's talk about how to test…

How to Test Your Campaigns

In order to test and track the different elements of your campaigns, you need two things:

1. The right tools.

2. The right procedure.

Let's look at these separately…

1. Utilizing the Right Tools

Before you can start testing your ads and campaigns, you need to find a service or use software that can do all the testing and tracking for you. One of the most popular tracking tools is Google Analytics, which you can find here: http://www.google.com/analytics/.

Generally, most marketers find Google Analytics to have all the features they need to test and track. If you need to go one-step further, you may use the free Google Website Optimizer – which integrates well with Google Analytics.

If you're not interested in using Google's tools, then you can try the alternatives listed below:

- For multi-variate testing: http://www.vertster.com

- For simple A/B (split) testing: http://www.adtestpro.com

- Here is another alternative: http://visualwebsiteoptimizer.com/

These tools randomly show versions of your campaigns to your different visitors, track the results, and crunch the data. In other words, you don't even need to know any statistics to use most testing tools.

Now, you probably noticed that I listed two tools for two different procedures: Multi-variate testing and A/B (split) testing. Read on to understand the difference between these two…

2. Using the Right Procedure

The simplest way to test and track different parts of your ad campaign is to use a basic A/B split test. Here's how it works…

First, decide which ONE element that you'd like to test.

> <u>Example</u>: Let's say you want to test the headline on your pay per click ad. You'd then create two identical ads, with the only difference being the headline. We'll call them Ad A and Ad B (hence the name A/B split test).
>
> ------------------------------
> <u>Ad A:</u>
>
> Dog Won't Stop Barking?
> Here's a safe, painless, quick
> and easy way to stop the barking.
> ------------------------------

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```
-----------------------------
Ad B:

Stop the Barking Now
Here's a safe, painless, quick
and easy way to stop the barking.
-----------------------------
```

Now you put these two ads to the test by holding ALL other variables constant. That means:

- **You send the same traffic to these ads.** In the case of a PPC ad, that means generating traffic using the exact same keywords.

- **You send all traffic to the same landing page.**

- **You get the traffic from the same source.** For example, do NOT send traffic from Google AdWords to one ad and the traffic from Kanoodle to another.

Point is, if you hold all other variables constant, then you know that any changes in your conversion rate are due to the headline. If you start using different ad bodies, different traffic sources, and different landing pages, then you'd have no idea what caused the change in the conversion rate.

Your next step is to start your PPC campaign with these two ads. Generally, you'll need 30 to 50 "actions" before you can analyze the data. An action refers to any specific action that you want your prospect to take, such as:

- Subscribe to a newsletter.
- Buy a product.
- Call you on the phone.
- Click on an ad. (This is useful if you're trying to improve your ad's CTR (click-through rate).

Let's say your primary purpose for this ad to get the prospect to buy the product. In that case, you need to wait until 30 to 50 prospects have completed a purchase before you can look at the data. Then you can see which ad gives you a better overall response.

Once you know which headline performs best, then you have a decision to make. If you think you can create a headline that performs even better, then do it. Create a new headline and test it against your control headline (which is the one that is

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currently performing the best). You can keep doing testing headlines against your control until you're satisfied with the result.

The other option is to start testing something else, like the ad body. Whatever element you decide to test, you do it in the same way as described above. Namely, you hold all other variables constant and just test one element at a time.

> Tip: While software makes it easy for you to test your online campaigns, you can and should test your offline campaigns, too. You do this by creating different URLs for different tests or otherwise "keying" or marking your ads so you can differentiate them during your testing.

> Example: If you're testing to see which radio station gives you a better response, you'd put the same exact ad on the air at both stations. The only difference is that the prospects from Station A are sent to www.yourdomain.com/1 and the prospects from Station B are sent to www.yourdomain.com/2. Just be sure you don't use links that are so different that the links themselves cause the change (e.g., www.domain.com/amazingdogsecrets vs. www.domain.com/dogtips).

What's Multi-Variate Testing?

You'll notice earlier that I gave you a link to a tool that you can use for multi-variate testing. This is where you test multiple elements of your ads and campaigns at the same time.

> Example: You can test three different headlines, two different ad bodies and multiple traffic sources all at the same time (rather than setting up multiple A/B split tests).

So why not just do multi-variate testing all the time?

> Simple: Because it takes more time and effort to get the results.

You see, the amount of traffic and actions you need increases exponentially with the number of variables you're testing. What's more, you'll also need to create different versions of your ads and campaigns before you can even start testing.

Point is, if you just have a couple headlines that you want to test to see which one brings you the best response, then A/B testing is the quick and easy way to find out

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which one is better. If you've gotten past some of the big (high-impact) elements, then you can use multi-variate testing to test these elements all at once.

Conclusion

Give yourself a pat on the back, because you now know more than many marketers about boosting your ad's effectiveness and ROI… not to mention giving yourself an instant pay raise!
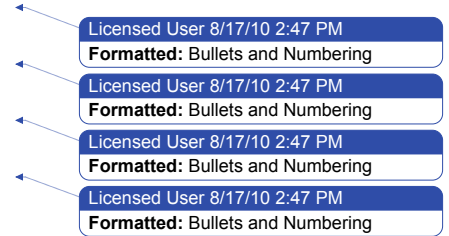
And all you have to do is:

➔ Set up a tracking tool.

➔ Choose one element to test while holding all other variables constant.

➔ Start your campaign.

➔ Analyze your data.

Pretty simple, right?

It is. And yet many marketers *never* apply the tips in this guide. But that's like leaving stacks of money on the table.

Think about it: **With just a few minutes work you could add thousands or even tens of thousand of dollars to your bottom line this year.**

So start tracking your ads today… because the sooner you do, the sooner you'll discover which ads really work to put money in your bank account!

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