

## Principle 18

# Testing Is Scientific Marketing

*Test and measure...*

*It's imperative*

One of the biggest reasons for business failure is simply a failure to consistently test the results of all marketing efforts. Because marketing can be expensive, not knowing what is working and what isn't is madness. It's a sure path to disaster. Marketing doesn't need to be an art – It can be a science.

### Test, measure and grow

Many businesses spend money on advertising in various print mediums believing that the ads are doing fine. The ads may be bringing in steady profitable sales. Typically though, when asked which ads, in which publications, pulled the best results, they simply didn't know.



Wouldn't it be nice to know that if one of the ads wasn't doing too well, or maybe nothing at all, that they could use this information to drop it and stop throwing away good money?

It's only common sense! But how do you measure one ad, sales letter or offer against another? The answer is to include 'identifiers' or 'keys' so that you know which orders came in from which ads.

Imagine if they discovered that an ad costing £800 per run in a local newspaper was resulting in almost no sales! So that's £800 they could have kept in their pocket! Worse yet, they may have run the ad 15 or 20 times - at £500 per ad, that's £12,000 to £16,000 in lost money!

Can any business afford to lose that kind of money? No way! But if you don't test, you don't know! Every tool you use to get business, whether it's a direct mail piece, a flyer, a radio ad, a post card - must be tested! When you don't test, you're working blind. You may not only be losing money, but you also are not discovering what is working wonderfully well, and thus allowing you

to put more resources into that successful marketing, to bring in even more business.

Including an 'identifier' on an ad is as simple as giving the responder a specific phone number to call or a specific department number to include on the order or coupon when they send it in. Then you know exactly where the order came from and which marketing device, i.e. ad, sales letter, etc, got the best result.

### **Regular testing ensures long-term success**

You should also be testing different prices against each other. For example, experienced direct response marketers know that it's very enlightening to send out a 1,000 mailers with a high price. A 1,000 with a medium price and a 1,000 more with a low price. The results can be surprising. Often, the highest price brings the best response!

Testing specific aspects of an ad is also very interesting. For example, changing just one word on a headline can increase the response to that ad by 2,000% or more, even when the rest of the ad - the sales copy, the offer, the price - all stay the same. You can also leave the headline alone and try a different angle in the body copy of the ad; the guarantee, the coupon, one or two step approach, etc and see what difference it makes.

Furthermore, never stop at a great response. Benchmark it and then see if you can better it. What is the maximum response that you can pull? Test more!

Test on an ongoing basis. Sometimes a change can make the response worse - but that's a valuable lesson too. Now you know what NOT to do! The bottom line is, however, that the business that tests all aspects of their marketing effort is a business that is honing its marketing efficiency. Once careful testing reveals a powerful response pulling marketing device, the long-term value of having that device can be unbelievable.

| ADVERTISING AND PROMOTION RESULTS ANALYSIS |  |        |            |
|--|--|--------|------------|
| A  | Date the ad or promotion ran or letters sent out   |        |            |
| B  | Promotion Name   |        |            |
| C  | Ad Code  |        |            |
| D  | Targeted Market  |        |            |
| E  | No. of Letters Sent  |        |            |
| F  | No. of Responses and Percent of Response   | Number | Percentage |
| G  | Number of Sales  |        |            |
| H  | Sale Value<br><i>Price per unit</i> _____ <i>x no. of sales:</i> _____   |        |            |
| I  | Less Cost of Fulfilment ( <i>Packaging, product, shipping, etc.</i> )  |        |            |
| J  | Less Cost of Promotion or Ad <ul style="list-style-type: none"> <li>• No. of letters: _____ x stamp/letter: _____ =</li> <li>• Printing of letters/unit: _____ =</li> <li>• Envelopes: _____ no. of letters: _____ =</li> <li>• Stuffing envelopes (labour): _____ =</li> <li>• Grabber/unit: _____ no. of letters: _____ =</li> </ul> |        |            |
| K  | Net Profit (Loss) on Promotion<br><i>(Total Sales less cost of promotion and cost of fulfilment)</i>   |        |            |
| L  | Profit-Loss per £ spent on promotion<br><i>(Divide net profit-loss by cost of promotion)</i>   |        |            |
| Comments:                                  |  |        |            |