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October 2012

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BENCHMARK REPORT

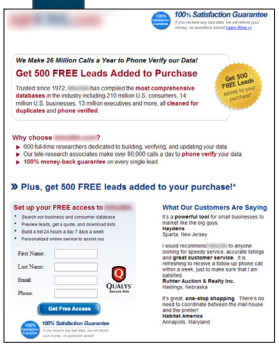
WEBSITE OPTIMIZATION

Call for Research Partners

You can achieve significant marketing gains while participating in a field test of the MECLABS research findings

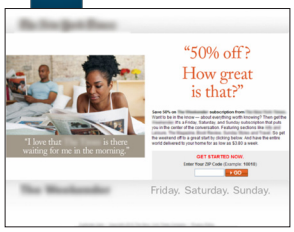
Our **average test** last year inside of one of the world's largest banks produced a **108%** conversion increase. This is not uncommon – many of our partners see **triple-digit sales increases**. In fact, most test protocols in this catalog are the results of field experiments conducted with major partners, such as The Royal Bank of Canada, The New York Times, Cisco and Macquarie Telecom.

201% Conversion

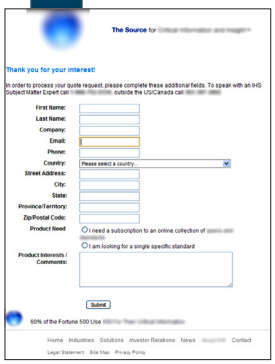


189% Conversion

124% Conversion



137% Conversion



54% Conversion

How does the program work?

Rather than depend on universities for grant money, MECLABS partners with key companies and conducts major experiments. The arrangement is simple: **you gain significant results** (increased conversion, higher-quality leads, more effective campaigns) and we gain valuable data to power our knowledge base. The cost of the research is (often) **paid for by the ROI** of the increase. **Rigorous science can produce a dramatic gain**.

Essentially, **we create a micro-research lab inside your group** and then conduct R&D to improve your marketing results. Companies often invest in R&D on the product side, but rarely on the marketing side, and so their marketing efforts suffer from underperformance.

What research areas are you interested in?

Currently, we are searching for research partners to assist in the following concentrations:

- E-commerce performance
- Subscription growth and retention
- Lead generation capture and management (including nurturing)

Drawing from more than 10,000 path tests, we are able to formulate a design of experiments that increases your understanding of the customer and helps you better predict their behavior. This leads to dramatic improvement.

Call for Research Partners

You can achieve significant marketing gains while participating in a field test of the MECLABS research findings

Will you share my proprietary company information?

Your specific research results are **not shared** without your permission (we execute a mutual NDA). We are seeking to glean principles not specific points of competitive advantage. **You will have control** over you data and over the paths or pages we create for you.

What kinds of companies are you looking for?

Less than 10% of the candidates for this program can be approved, but there is a straight-forward application process and we invite you to participate. We prefer to maintain a portfolio of research partners representing both large- and medium-sized companies across a diverse group of industries.

How can I find out more?

If you would like to find out more just email info@MECLABS.com

The Research Partner Application Process Overview

1. **Submit your Research Application**
2. **We contact you to discuss your application.** The goal is to get a better understanding of your research challenges and objectives.
3. **The MECLABS Application Review:** The team looks for alignment in industry and project focus and potential for growth.
4. **The Sciences Team** reviews the data to determine if the initiative fits into our research agenda and provides their recommendation.
5. **MECLABS drafts the research proposal** which helps articulate, deliverables, timelines, objectives and costs.
6. **The terms of the Research Proposal are agreed upon** and the Research Partnership officially begins.
7. **Work begins:** The MECLABS Research Team conducts preliminary forensic data analysis, summary competitive analysis and other key deliverables to initiate the research project and gain the “quick wins” that will fuel the ongoing discovery.

2012 Website Optimization Benchmark Report

Keys to an Effective Optimization Program in Your Organization

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FROM OUR MANAGING DIRECTOR

Dear Marketer:

In this study, **we interacted with 2,504 marketers**. We asked them key questions about their website optimization efforts. And, we benchmarked the effect of their value propositions on their optimization efforts.

In **more than 15 years of research**, we've found that marketers who effectively communicate their organizations' value propositions on their websites can **dramatically impact the P&L**.

However, in those years of research, I have also had **thousands of conversations** with marketers who are frustrated by the task of effectively communicating a value proposition on their websites. They repeatedly ask, **"How can I quickly maximize the effectiveness of my website?"**

This question has been the impetus for much of this study, and has, in turn, led to even more intriguing questions:

- What website components should I optimize?
- How has mobile impacted website optimization?
- What is the best way to measure site performance?
- Which page elements have the largest impact on website optimization?
- How does website optimization inform broader marketing strategy?

The entire process has been guided by our lead authors Meghan Lockwood and Brad Bortone, along with the entire MECLABS Sciences and Research team. Together they have compiled the **most comprehensive benchmarking report in the field**:

- Based on 2,504 qualified survey responses
- In 10 major industry verticals
- Across all 7 continents
- Including responses from CMOs, marketing managers and agencies

I trust you will find the data relevant and useful for your work.

Dr. Flint McGlaughlin
Managing Director
MECLABS

P.S. I personally found the information regarding **value proposition** beginning on page 32 particularly germane to the challenges marketers are facing going into 2013.

TABLE OF CONTENTS

AN EXPLANATION OF WEBSITE OPTIMIZATION MATURITY

Throughout this Benchmark Report, you will view a number of charts and corresponding analyses that break out specific groups of respondents by **maturity level**. At MECLABS, we define marketing maturity by three phases – Trial, Transition and Strategic – each of which corresponds to a specific level of experience and practice within a marketing discipline.

For the purposes of the 2012 Website Optimization Benchmark Survey, and this report, we defined each phase as follows:

- **Trial Phase** – Marketers who do not have a process or guidelines for optimization or testing. Typically, these marketers have some testing and optimization projects, but they are neither valid nor codified, and they do not share the lessons of the tests with other functional groups.
- **Transition Phase** – Marketers who have an informal process with a few guidelines they sporadically perform. Typically, these marketers have some testing processes, but do not test validity. They incorporate lessons from website optimization to some online marketing efforts, but these lessons do not translate to larger macro-level changes.
- **Strategic Phase** – Marketers who have a formal process with thorough guidelines they routinely perform. Typically, they have advanced, statistically valid testing processes that inform customer theory, channel mix and offline marketing efforts.

In categorizing our respondents in this manner, we feel our data becomes more applicable and useful to a wider range of marketers – from those who work for smaller startups, to those from large, well-established corporations. We do this in hopes of creating the best possible marketing resource for our readers.

EXECUTIVE SUMMARY

The website is the hub of all online marketing strategies. Nearly every online effort – PPC, SEO, social, mobile – points back to the website, where your organization can have a controlled conversation with your prospects about what makes your products and services unique.

In short, **the website is where conversion happens**, and is crucial to the success of every online marketing strategy employed by your company.

An effective optimization program can *dramatically* impact a company's financial performance. According to the 2012 Website Optimization Survey – the basis for this report's findings – marketers who track ROI on optimization see very favorable results: **38% report a positive ROI, while only 3% report a negative ROI**.

This improvement comes from not only improving the conversion rate of the investments you've already made to drive traffic to your site, but also from new business intelligence gained about the customer, from the tests and changes that lie at the core of website optimization.

This is why a culture of **testing can change how you understand your audience, position your products and execute your larger marketing campaigns**.

This report will share discoveries about what marketing leaders around the world are doing to deploy optimization successfully in their firms, and **identify the critical industry-wide trends in website optimization that are imperative for leaders to understand**.

As you read through the complete report, you'll also find answers to the following questions:

- Is website optimization a priority for marketers in 2012 and beyond?
- Are website optimization budgets growing?
- How does website optimization inform broader marketing strategy?
- How does website optimization affect marketers' customer theory?
- How do marketers convey value propositions via their websites?
- What factors drive website optimization test design?
- What website components do marketers optimize?
- Which page elements have the largest impact on website optimization?
- How do marketers measure their website optimization campaigns?
- Do marketers understand their websites' conversion paths?
- What channels are touched by website optimization strategy?
- Are marketers incorporating Universal Lead Definitions into their funnel strategies?

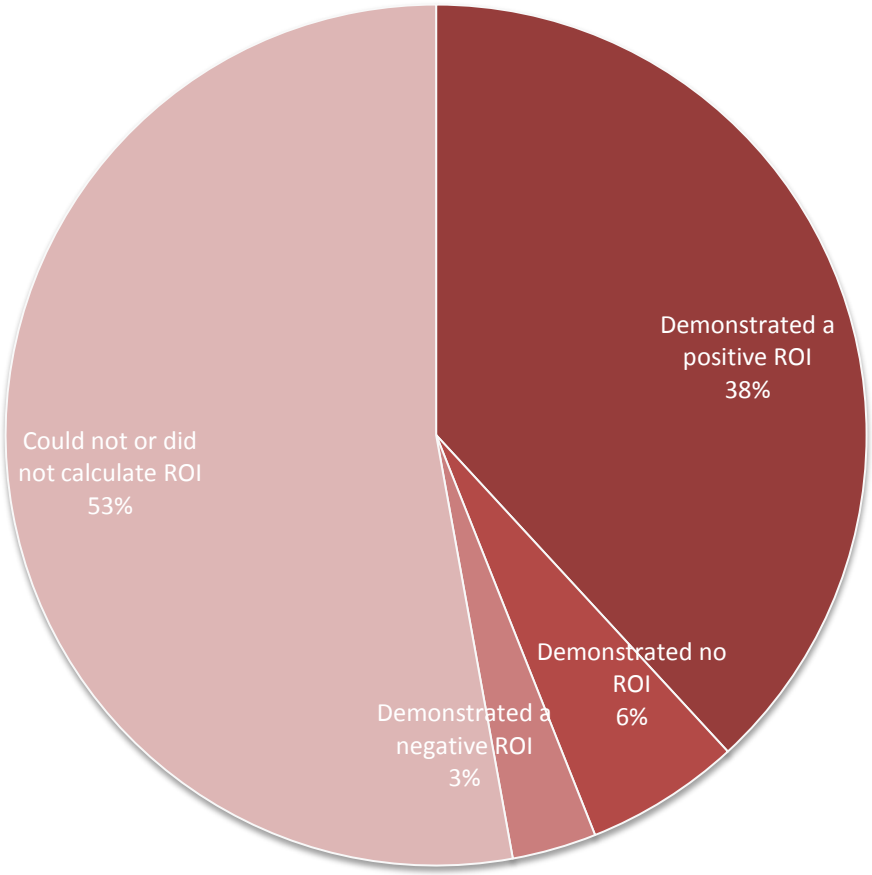
Here are some overarching findings from our survey.

KEY FINDING #1: MARKETERS STRUGGLE TO CALCULATE THE ROI OF WEBSITE OPTIMIZATION

Despite the fact that **nearly 40% of marketers who track ROI on their optimization programs see positive results**, more than half of those surveyed still do not know how to properly do so. An optimization program is only as good as the tools marketers use to measure their results.

We wanted to know how effectively marketers were utilizing website optimization, so we asked them if optimization and testing produced a positive return on investment.

Q. Did optimization or testing demonstrate ROI in 2011?



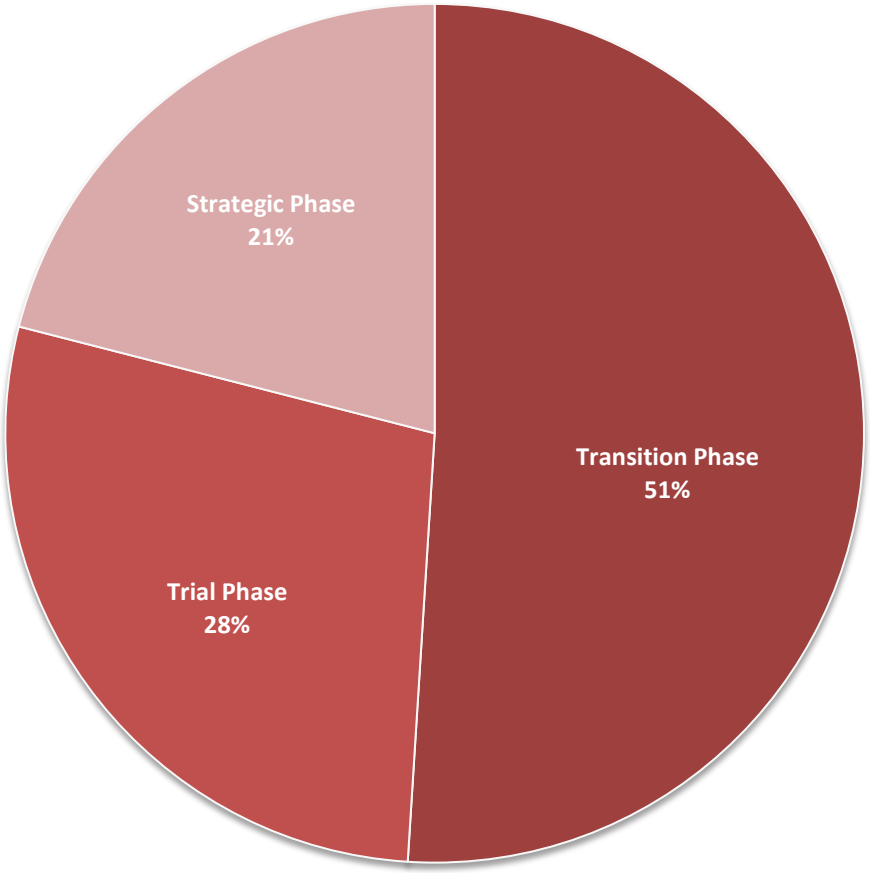
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=789

The website accounts for 25% of all marketing spending, so failing to measure optimization efforts means that marketers do not know whether or not their budget dollars are working.

A variety of challenges contribute to a lack of ROI tracking, from managing multiple constituencies, to the sheer volume of data available online, all of which can occasionally bury marketers under a pile of numbers from which they cannot yet glean lessons.

KEY FINDING #2: MARKETERS' WEBSITE OPTIMIZATION MATURITY HAS EVOLVED

Q. Which statement best describes the process your organization uses to plan, execute and measure the performance of your website optimization programs?



marketingsherpa Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2,677

To help you get a better understanding of the data, this Benchmark Report not only provides holistic data and data segmented by industry, transaction type (e.g., B2B vs. B2C) and company size, but also (as you can see in the chart above) by how mature the organization's website optimization practice is.

For example, when segmented by maturity level, marketers reported a more disparate focus on optimization. **Slightly more than 95% of companies in the Strategic Phase prioritize optimization campaigns**, whereas just 84% of Trial Phase firms pay similar attention.

Marketers are more likely to spotlight programs on which they have spent time developing formal processes. Furthermore, the rigorous optimization practices employed by companies in the Strategic Phase are much more likely to produce measurable results, and consequently, further prioritization.

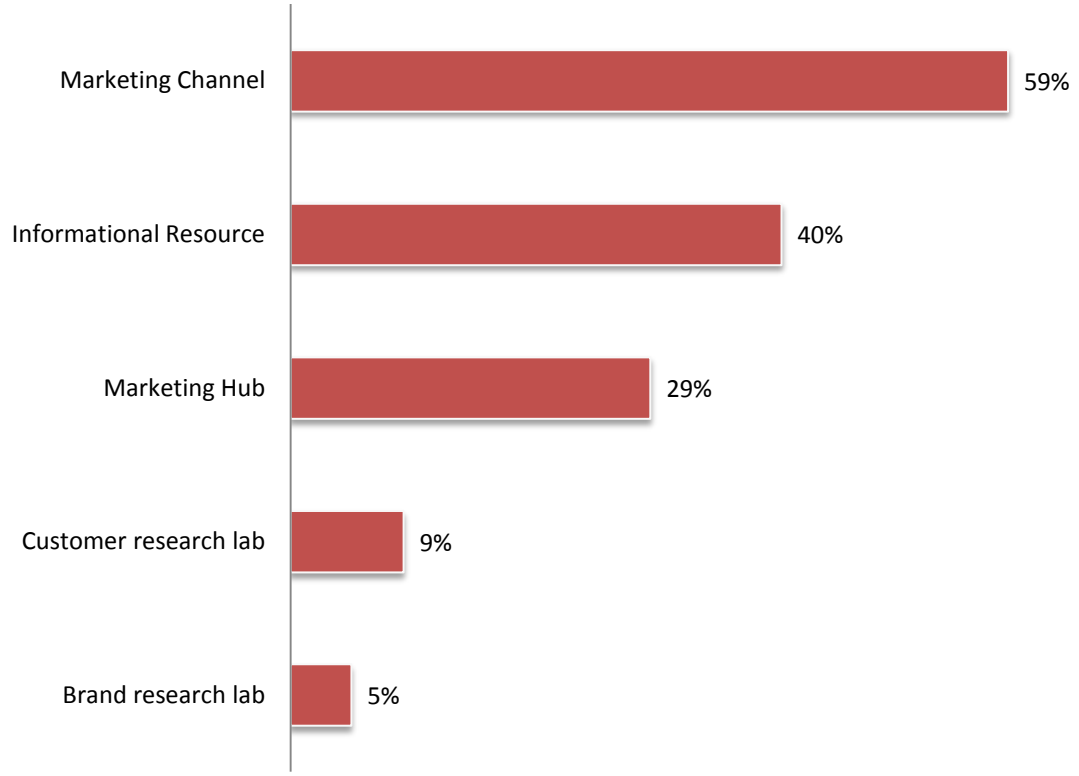
KEY FINDING #3: MARKETERS CONSIDER THE WEBSITE A DISTINCT MARKETING CHANNEL

Encouragingly, 29% of marketers accept a more holistic vision for their digital strategies, where the website – occasionally in conjunction with a blog – acts as the central structure around which companies arrange all marketing campaigns.

Nearly 50% of B2C firms indicated they utilize their website as an informational resource, rather than a distinct marketing channel.

With these firms selling directly to the consumer, they are perhaps more focused on paid ads to generate traffic and appeal for their products.

Q. Which of the following statements are representative of your organization's website strategy?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,705

While it is discouraging that so few marketers (less than 10%) have effectively tapped their website as a resource to research brand strategies or learn about customers, we derived some notable facts from this data.

As we dove deeper into the information, beyond what the above chart depicts, we saw that **44% of CMOs consider using the website for customer research as a facet of their online plans**, while only 37% consider the site an informational resource.

Further, while just 5% of marketers consider their website a brand research lab, large companies were more likely to view their website in that manner (6% vs. 3%, respectively).

CHAPTER 1: DEPLOY WEBSITE OPTIMIZATION TO EVALUATE YOUR MARKET

As marketers, we face overwhelming pressure to perform. Of the wealth of online and offline marketing strategies that can be used to bring messages and products to an audience, it can be overwhelming to decide which is the most efficient and effective route.

Looking into 2013 and beyond, we know that most marketers have established an online presence, which includes a corporate website, individual landing pages, SEO and PPC campaigns, social media mentions, and increasing forays into the mobile universe.

But, how do all these campaigns work together? Are there any tools that can predicatively measure the success of these campaigns, and develop threads of understanding to unite these disparate online tools into one comprehensive digital strategy?

This chapter will help you look at website optimization's ability to redefine how your organization fits in your existing market. **Used correctly, the abundance of data available online, and the directional information provided by testing, will inform messaging, product rollouts and even offline strategies**.

Digital marketing does not exist in a box. **Website optimization produces consistent ROI results because it actively measures every element of your online presence**, and how they work together, using an active and engaged audience. This culture of testing will change how you understand your audience, position your products and execute your larger marketing campaigns.

This chapter will answer the following questions:

- Is website optimization a priority for marketers in 2012 and beyond?
- Are website optimization budgets growing?
- How does website optimization inform broader marketing strategy?
- How does website optimization affect marketers' customer theory?

IS WEBSITE OPTIMIZATION A PRIORITY FOR MARKETERS IN 2012?

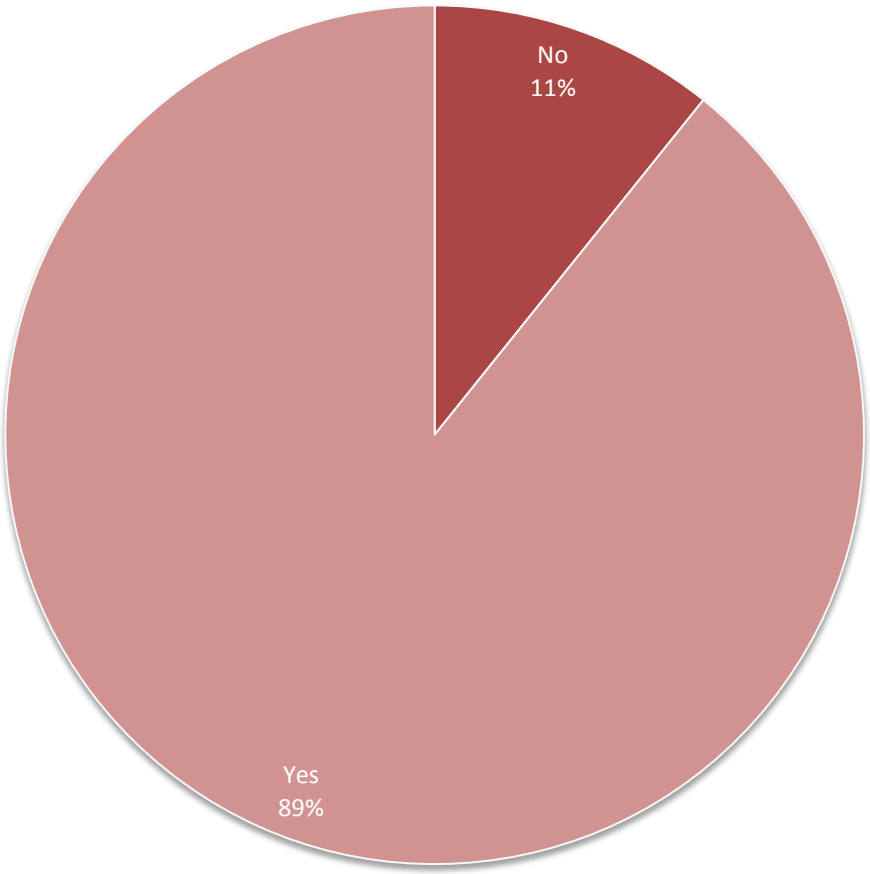
Website optimization inspires so many passionate marketing fans due to its success stories, including triple-digit conversion improvements, and concrete proof points to present to the C-suite. Still, **there are many tools digital marketers could employ to expand their companies' value propositions**.

Determining your ultimate plan typically comes down to numbers: Which strategies have produced the best results? Which have the promise for delivering increased returns moving forward?

We wanted to learn more about how marketers rate website optimization, and its ability to produce measurable results, to see if website optimization is a priority for 2012. The results are below.

Chart 1.01: Website optimization priority

Q. Is website optimization a priority for your organization in 2012?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,579

Overwhelmingly, marketers indicated website optimization was one of their top marketing goals, with nearly 90% of respondents prioritizing it last year.

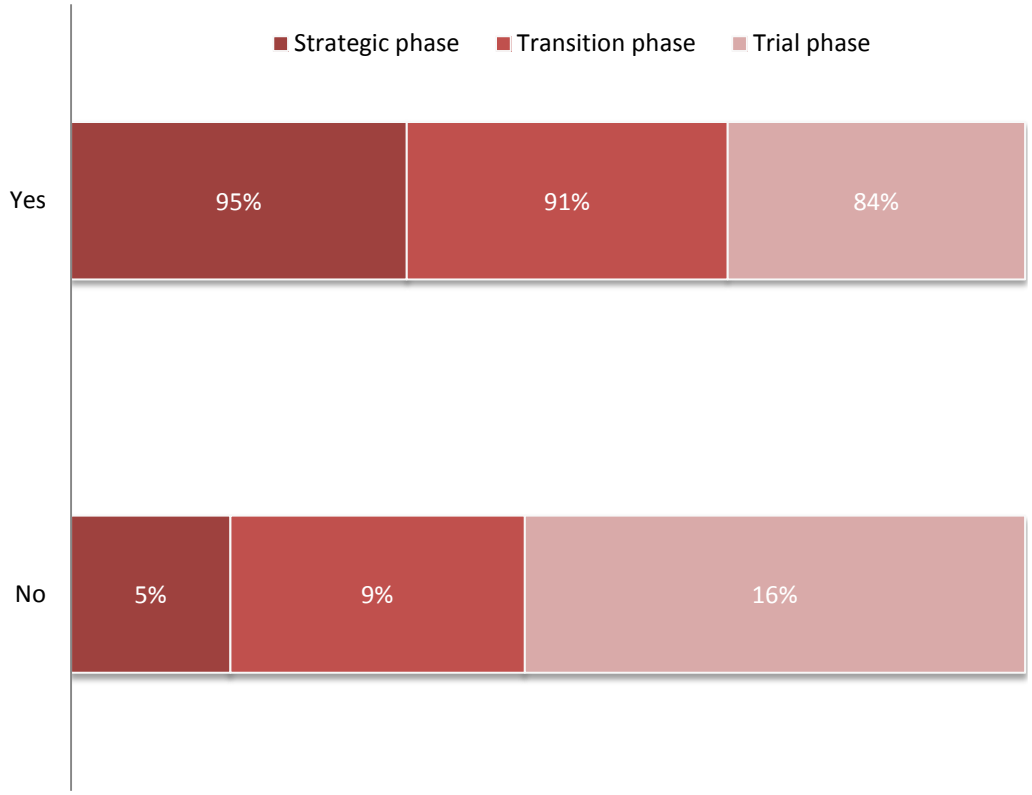
While many have zeroed in on website optimization's promise, **marketers still struggle with the execution of website optimization campaigns, and the measurement of optimization ROI**. However, this overwhelming focus is promising for the long-term success of future optimization roll-outs and results.

Consumer marketing (B2C) firms focused more on optimizing digital campaigns than their business-to-business (B2B) counterparts, with 92% of B2C marketers prioritizing optimization, as opposed to 87% of B2B companies. While this still indicates a sizeable number of engaged marketers pay attention to optimization, it also displays the importance that ROI plays in emphasizing optimization results.

More B2C companies sell directly through their websites. As such, **improved conversion rates produced by optimization campaigns translate into a greater focus on this strategy for B2C marketers**.

Chart 1.02: Website optimization priority, by maturity level

Q. Is website optimization a priority for your organization in 2012?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,539

When segmented by maturity level, marketers reported a slightly more disparate focus on optimization. **Slightly more than 95% of companies in the Strategic Phase prioritize optimization campaigns**, whereas just 84% of Trial Phase firms pay similar attention.

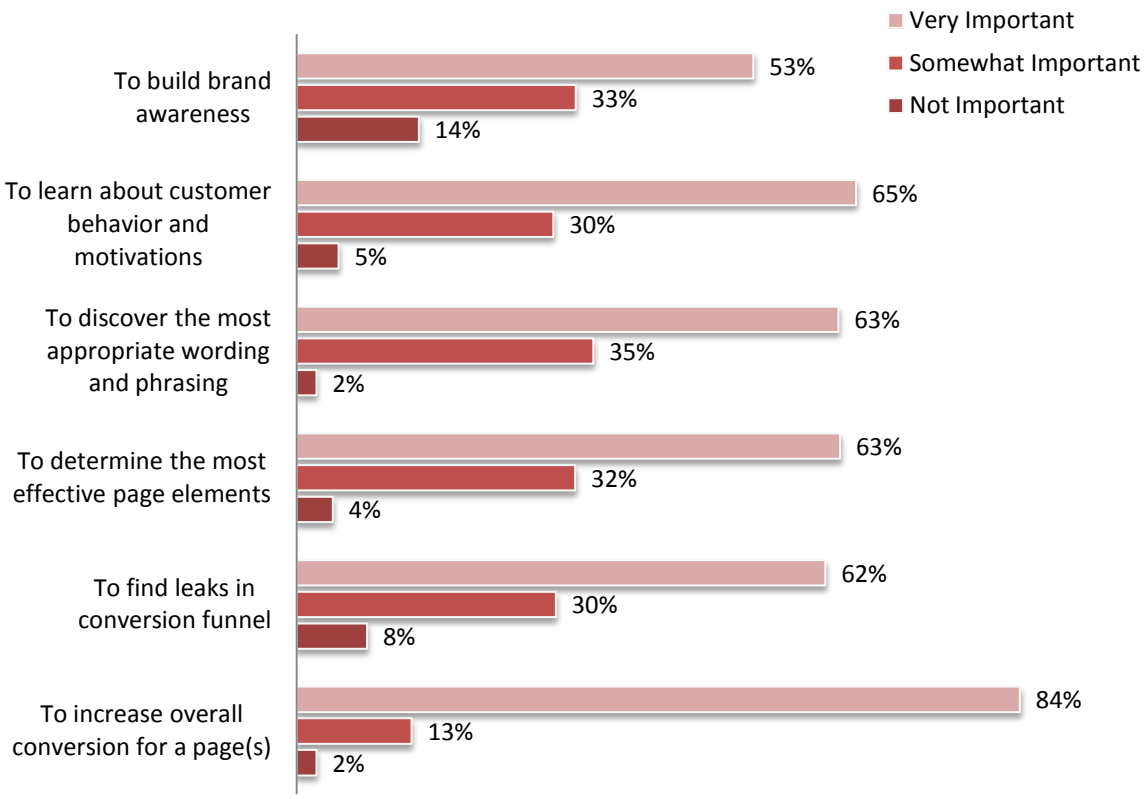
Marketers are more likely to spotlight programs on which they have spent time developing formal processes. Furthermore, the rigorous optimization practices employed by companies in the Strategic Phase are much more likely to produce measurable results, and consequently, further prioritization.

More advanced analysis of split testing, along with sophisticated tactics that help decipher customer behavior and find conversion funnel leaks, can go beyond making simple changes to buttons or headlines and impact macro-level marketing decisions.

We wanted to learn more about the explicit priorities marketers have for their optimization strategies, so we asked them to rate the most popular website optimization goals based upon their current priorities.

Chart 1.03: Ratings of website optimization priorities

Q. Of the following website optimization goals, please rate each in terms of "very important," "somewhat important," "not important" or "don't know," according your company's priorities.



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=695

More than 80% of marketers consider increasing overall conversion their dominant priority for their website optimization programs. Marketers also consider advanced optimization goals, such as learning

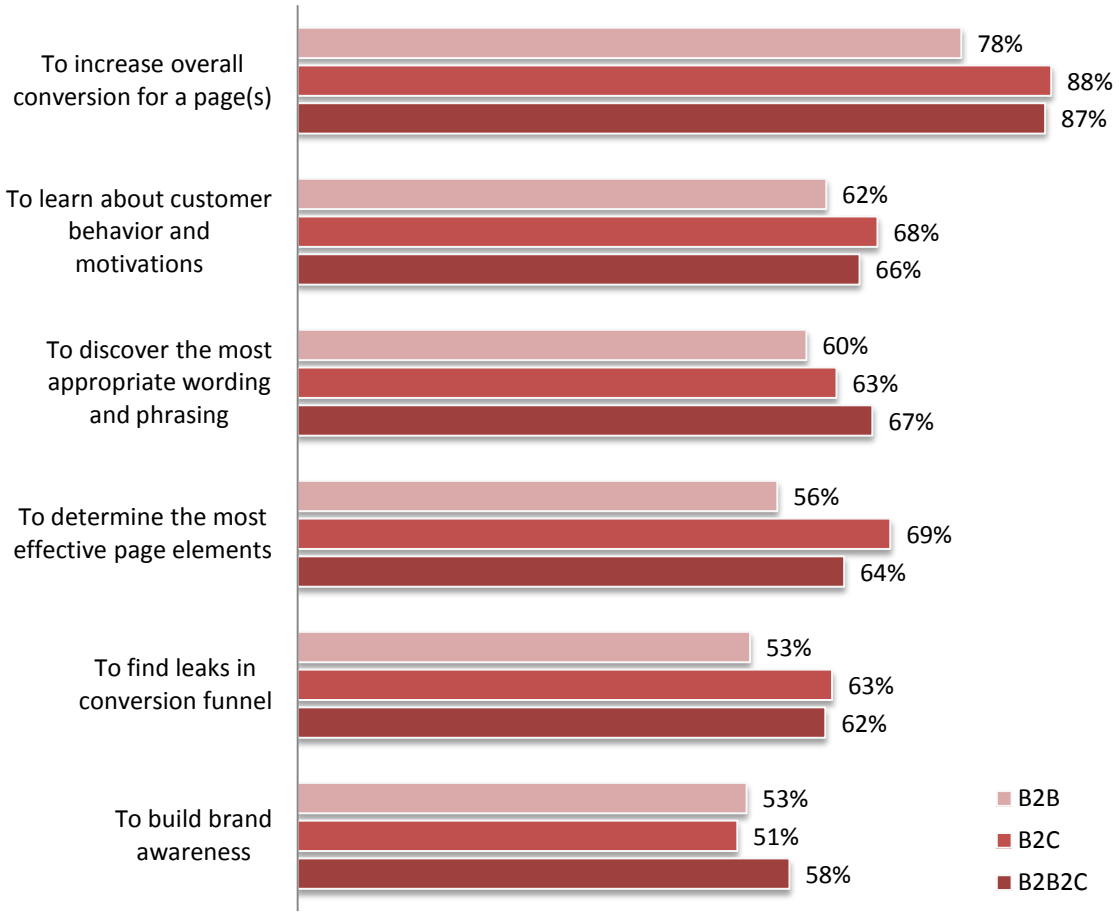
about customer motivations and addressing the marketing funnel as "very important," with 64% and 58% of marketers, respectively, focused on those goals.

Finally, more tactical goals, including vetting phrasing and page elements, are also at the forefront, with 62% of respondents labeling this "very important" to prioritization goals.

Website priorities vary among industry channel, company size and maturity level. We broke out the priorities marketers rated "very important." In this light, increasing overall conversion becomes a major focus, particularly for firms marketing directly to consumers. For example, 88% of B2C firms rated increasing overall conversion "very important," versus 78% of their B2B counterparts.

Chart 1.04: Ratings of website optimization priorities, by channel

Q. Is website optimization a priority for your organization in 2012? (of priorities rated "very important.")



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 2,653

Inevitably, **how marketers use the Web will determine their online priorities**. By industry, both retail/e-commerce and software/SaaS firms considered increasing overall conversion very important to their

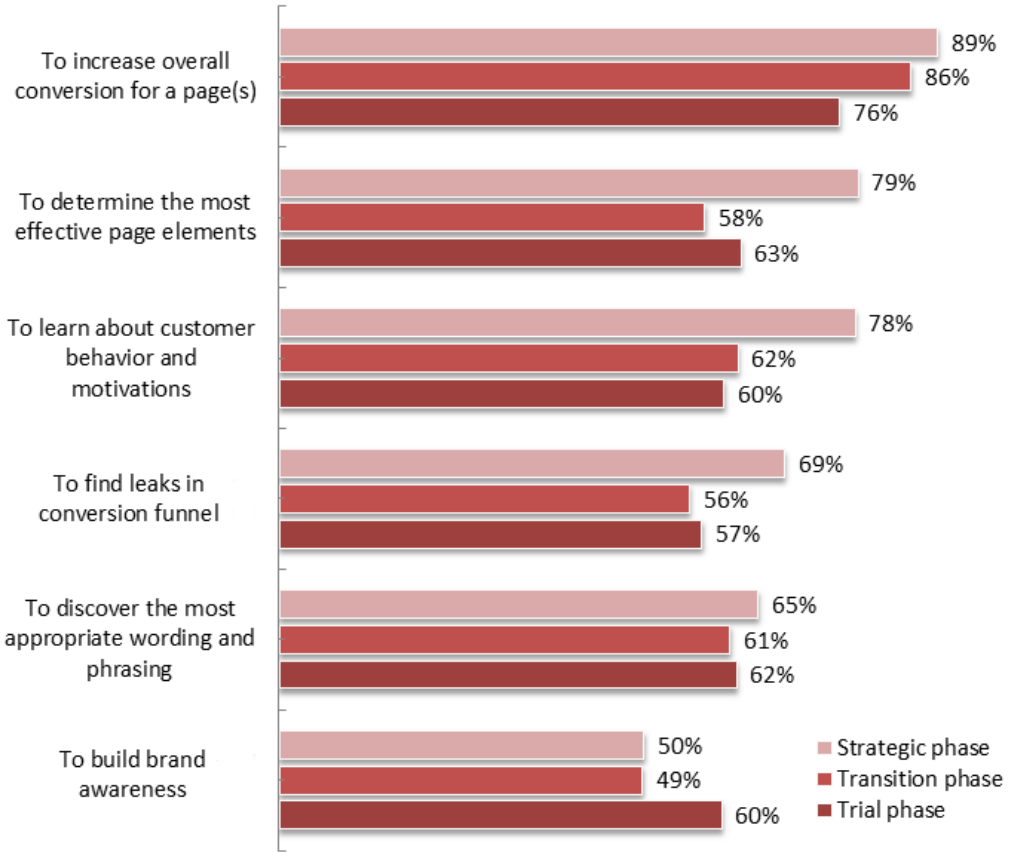
business, at 90% and 88%, respectively. Conversely, while 85% of media and public relations firms considered conversion "very important," 59% also rated building brand awareness "very important."

The large workload for optimization practitioners in smaller companies may have impacted their replies, as they reported more tactical priorities. They were nearly twice as focused on words and phrasing than large companies, at 65% vs. 38%, respectively. Likewise, more than 30% were more likely to pay attention to specific page elements.

"Very important" priorities to Trial Phase marketers included improving conversion (76%), determining top page elements (63%), and discovering appropriate working and phrasing. Meanwhile, just more than 75% of Strategic Phase companies regard learning about customer motivations as "very important," as opposed to less than 66% of Trial Phase companies.

Chart 1.05: Ratings of website optimization priorities, by maturity level

Q. Is website optimization a priority for your organization in 2012? (of priorities rated "very important")



marketingsherpa Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 2,604

Strategic firms with comprehensive, repetitive tracking methods paid more overall attention to website optimization goals. Highlighting their advanced tactics is the attention these firms pay to finding leaks in the conversion funnel, and learning about customer behavior, at 69% and 78%, respectively.

The key for any marketing team is pinpointing the goals of your digital presence, and then assessing your level of experience and available resources. As the evolution from Trial to Strategic Phase underscores, you must first build the foundations of optimization (e.g., explicitly defining the meaning of conversion).

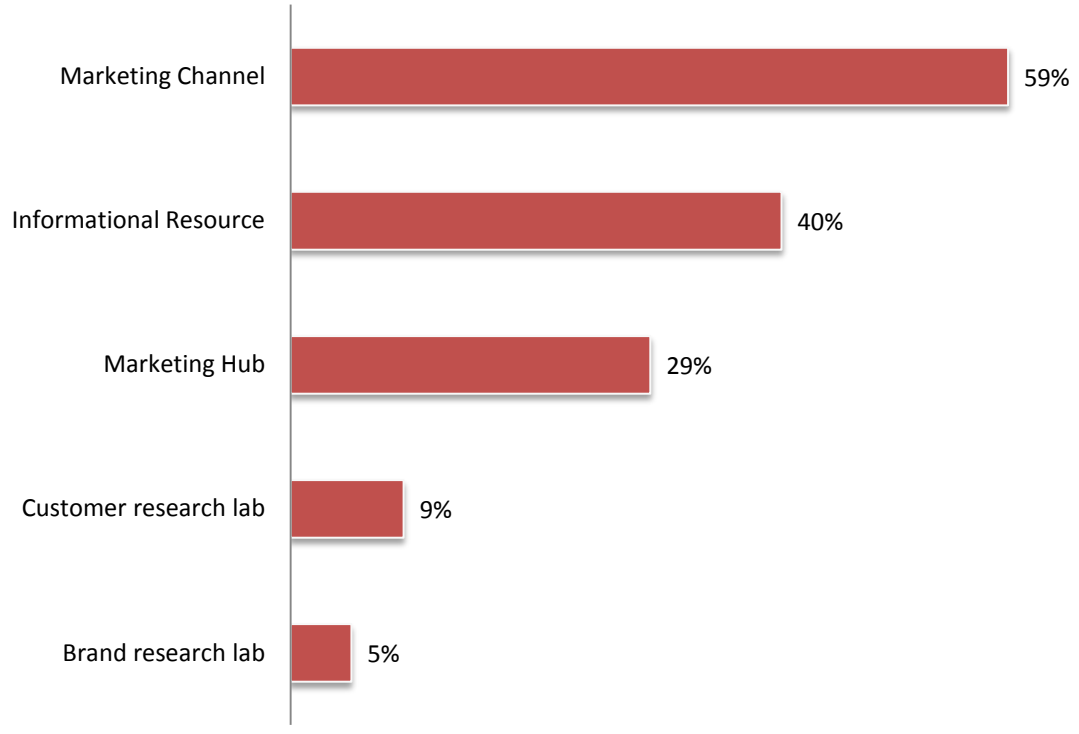
When your optimization experience expands, you can then develop broader optimization goals, which will drive more macro-level lessons, including funnel optimization and a better grasp of your customers' motivations.

How does website optimization inform broader marketing strategy?

The crux of website optimization's success is the wealth of data available online, and the strength of testing to push your marketing team to expand a digital strategy. Just like any successful campaign, **the tools of website optimization are only as good as the abilities of those executing optimization projects**. We wanted to learn about the website's role in overall marketing planning, so we asked marketers which of the common goals were most representative of their organization's Web strategy.

Chart 1.06: Marketers' goals for website strategy

Q. Which of the following statements are representative of your organization's website strategy?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,705

The previous chart illustrates that marketers continue to envision their company website as a distinct marketing channel, equal to their PPC, SEO and social channels. While this is certainly more advanced than the 40% of marketers who still consider the website an online resource, it is indicative of the fact that **marketers have not yet fully tapped into the capabilities of their online efforts**, to transform macro-level planning.

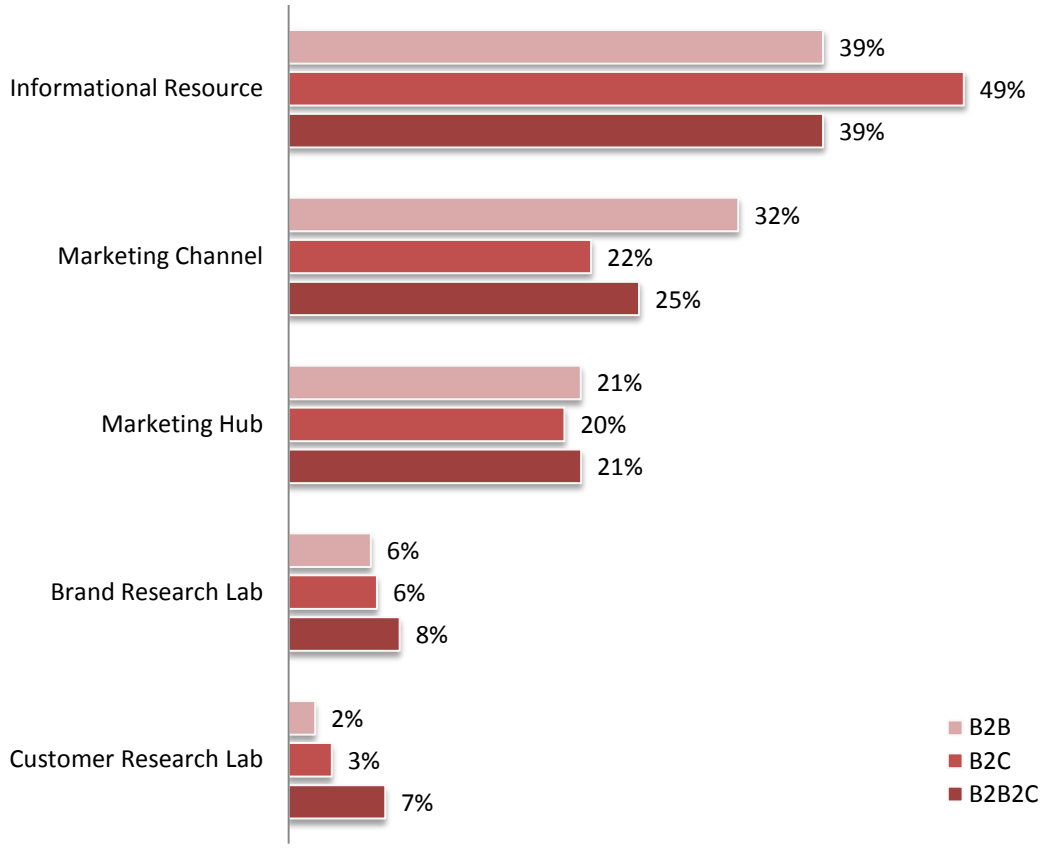
Encouragingly, 29% of marketers accept a more holistic "hub-and-spoke" vision for their digital strategies, where the website (occasionally in conjunction with a blog) acts as a central structure, around which companies arrange all marketing campaigns.

Interestingly, nearly 50% of B2C firms indicated they utilize their websites as informational resources, rather than as a distinct marketing channel. With these firms selling directly to consumers, they are perhaps more focused on paid ads to generate traffic and appeal for their products.

In this case, they would then use the website to close sales by providing information, or specs on specific products, before shoppers proceeded to their carts.

Chart 1.07: Marketers' goals for website strategy, by channel

Q. Which of the following statements are representative of your organization's website strategy?



marketingsherpa

Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 2,389

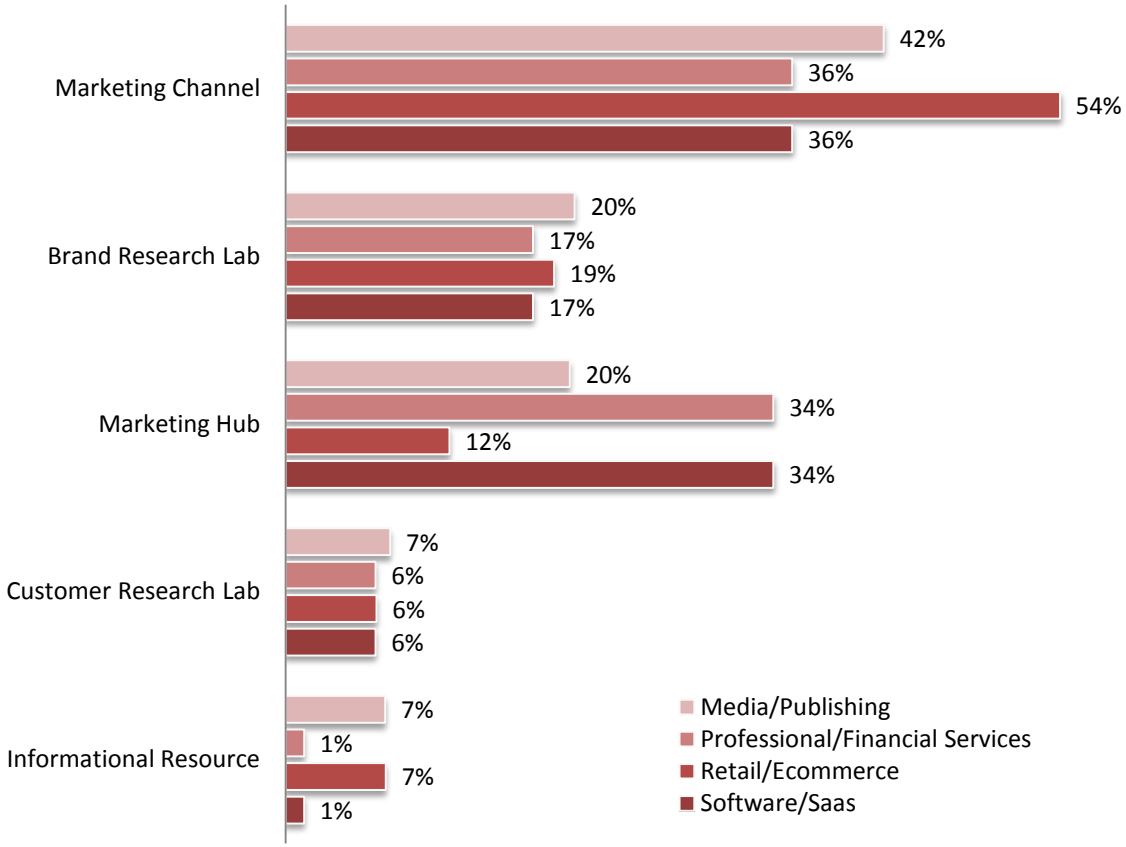
If you are a marketing practitioner or manager, it is worth nothing that very few marketers (less than 10%) have effectively tapped their website as a resource to research brand strategies or learn about customers, and yet marketing leaders see this as an important element of website optimization.

When looking at website strategy by job role, **44% of CMOs consider using the website as a customer research lab a facet of their online plans**, while only 37% consider the site an informational resource.

Further, while just 5% of marketers consider their website a brand research lab, large companies were more likely to view their website in that manner (6% vs. 3%, respectively).

Chart 1.08: Marketers' goals for website strategy, by industry

Q. Which of the following statements are representative of your organization's website strategy?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,404

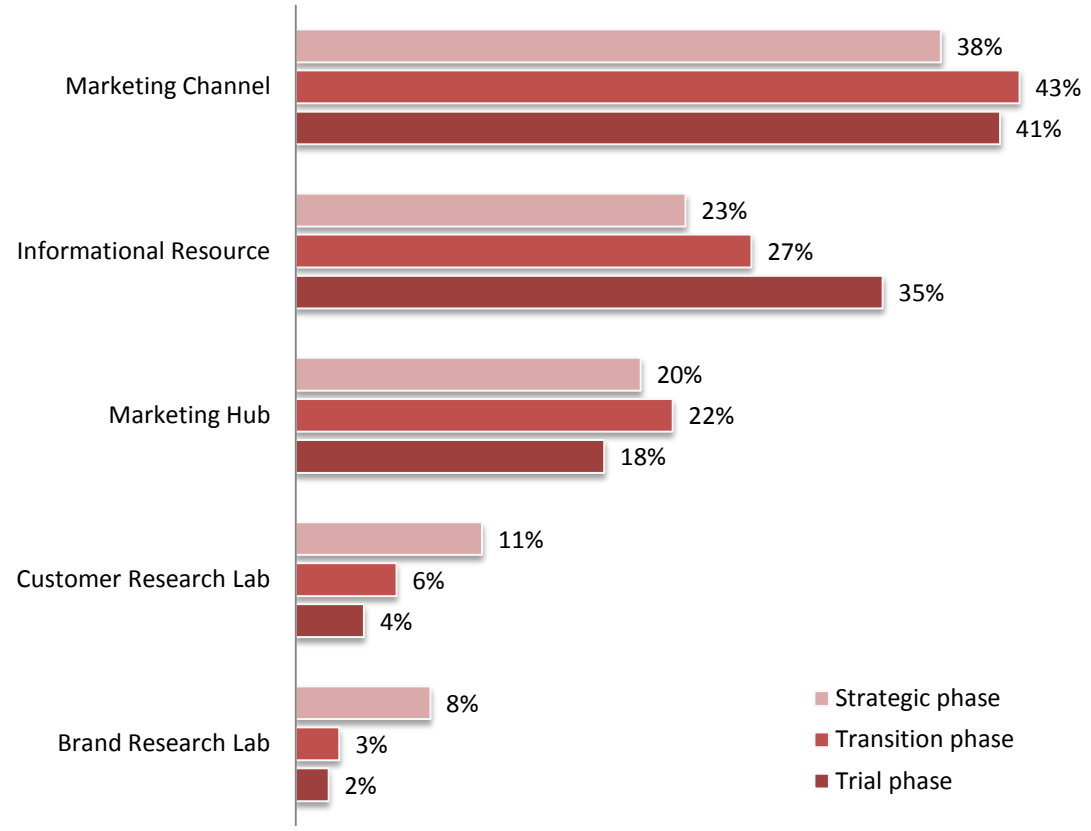
Parsing online strategy by industry also reveals some interesting trends. Both professional and financial service firms and software/SaaS companies were 152% more likely to view the website as a marketing hub than their retail and e-commerce peers. This is perhaps predictable, as we would expect software firms to be more fluent in technology, in general, and consequently more adaptable to this hub-and-spoke model.

Website optimization maturity was the largest determining factor in how advanced a website strategy was employed by surveyed marketers. Trial Phase companies are 52% more likely to regard their sites as an informational resource than Strategic firms.

As you can see in the chart below, 11% of Strategic firms utilize optimization tools, including segmentation and message testing, to research their customers online, as opposed to just 6% of Transition Phase companies, and 4% of Trial Phase marketers.

Chart 1.09: Marketers' goals for website strategy, by maturity level

Q. Which of the following statements are representative of your organization's website strategy?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 2,366

The website is the greatest tool in the marketer's arsenal for honing messages and testing brands, value propositions and customer insights within their core audience. Focusing the Web experience on a central location – the website – allows marketers to control (and then optimize) their customers' experiences.

Concentrating digital strategy in a central hub prevents your message from dissipating among the chatter of ever-expanding online channels, including social, mobile and PPC. It also allows for a centralized strategy, rather than allowing various business units to separately craft online campaigns.

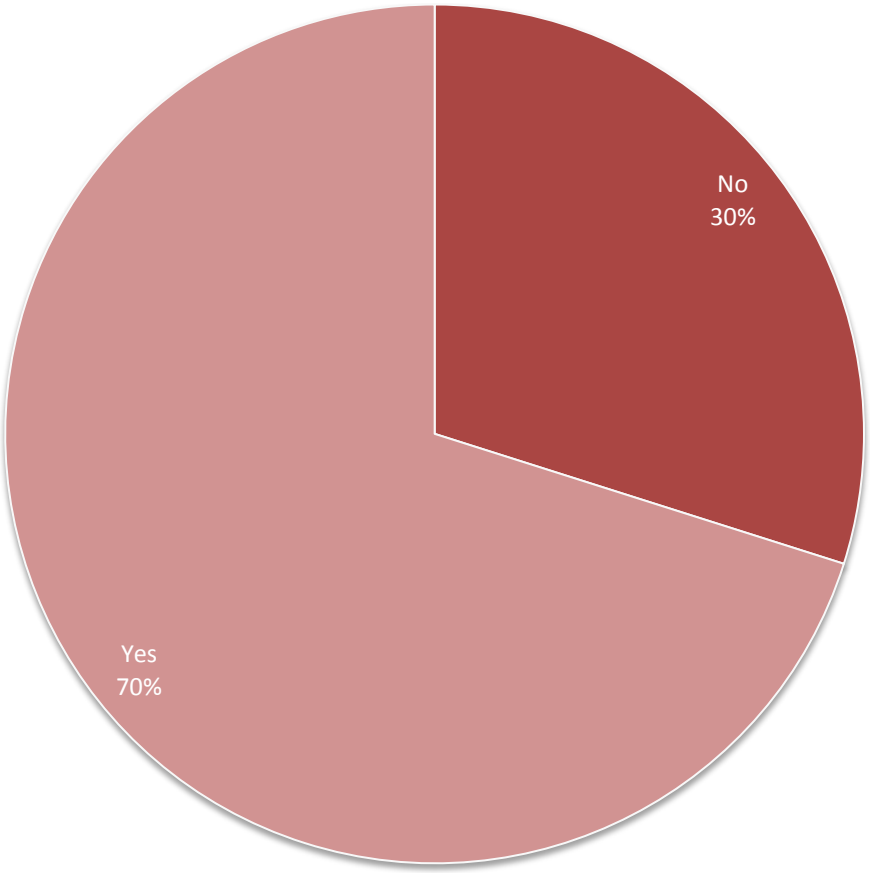
As marketing advances its understanding and implementation of website optimization, we expect an increase in this hub-and-spoke vision of online strategy, with the website taking primacy, and other channels such as email and PPC funneling leads into a single online conversion path.

Discovering the most effective threads of messaging and positioning is crucial for crafting an effective value proposition – what is at the heart of your company – and then incorporating that vision in every marketing campaign. Website optimization offers marketers a rare chance to test out these intuitive threads, and to use feedback from rigorous testing to isolate which products, messages and campaigns truly resonate with their audience.

We wanted to know if marketers were integrating optimization with overall marketing strategy so we asked them if their organization utilized the lessons they learned in their website optimization efforts to change their offline campaigns and other marketing communications.

Chart 1.10: Application of lessons learned from optimization to offline marketing strategies

Q. Does your organization use lessons learned from your website optimization efforts to make changes to your offline campaigns, or other marketing communications?



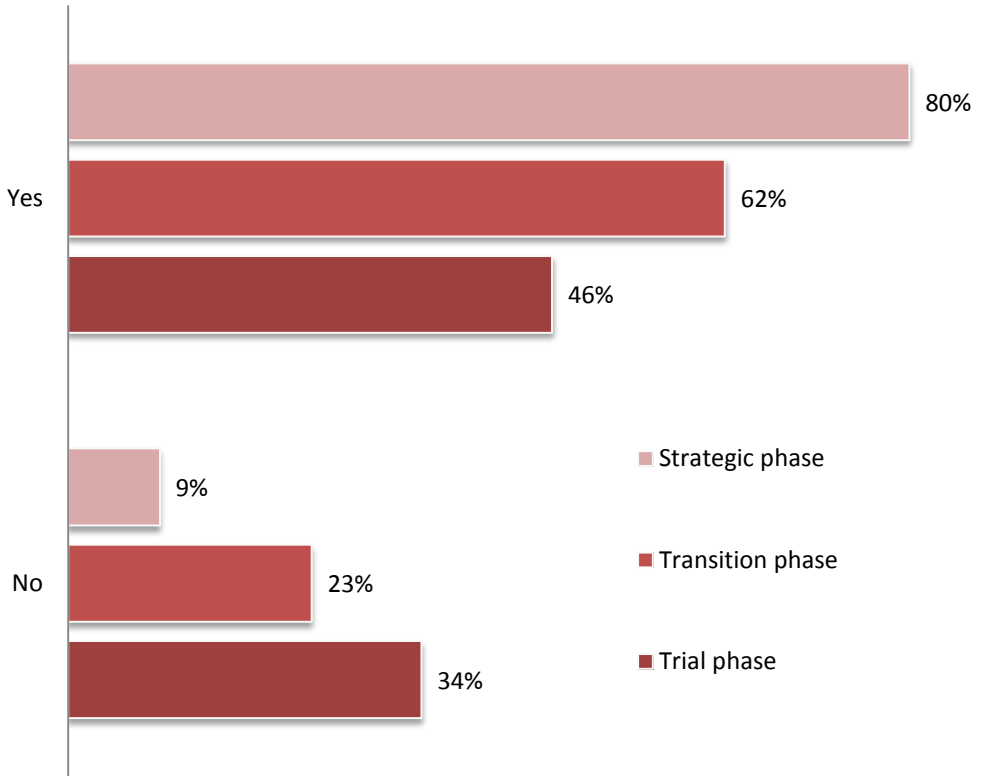
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=843

Website optimization appears to have a positive effect on other marketing operations, as 70% of those surveyed reported they use website optimization lessons to inform offline campaigns and other marketing communications.

Because they have likely already developed the tools to straddle several marketing strategies, 80% of B2B2C channel companies reported they effectively transfer optimization experiences into broader offline lessons, which was significantly more than the 69% of B2B companies, and 66% of B2C firms, that responded.

Chart 1.11: Application of lessons learned from optimization to offline marketing strategies, by maturity level

Q. Does your organization use lessons learned from your website optimization efforts to make changes to your offline campaigns, or other marketing communications?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=

Marketers who have reached the Strategic Phase of their optimization lifecycle are 57% more likely to assimilate lessons from optimization testing protocols into offline campaigns and broader messaging. In fact, only 9% of Strategic companies indicated optimization didn't inform their operations, versus 34% of Trial companies and 2% of Transition firms.

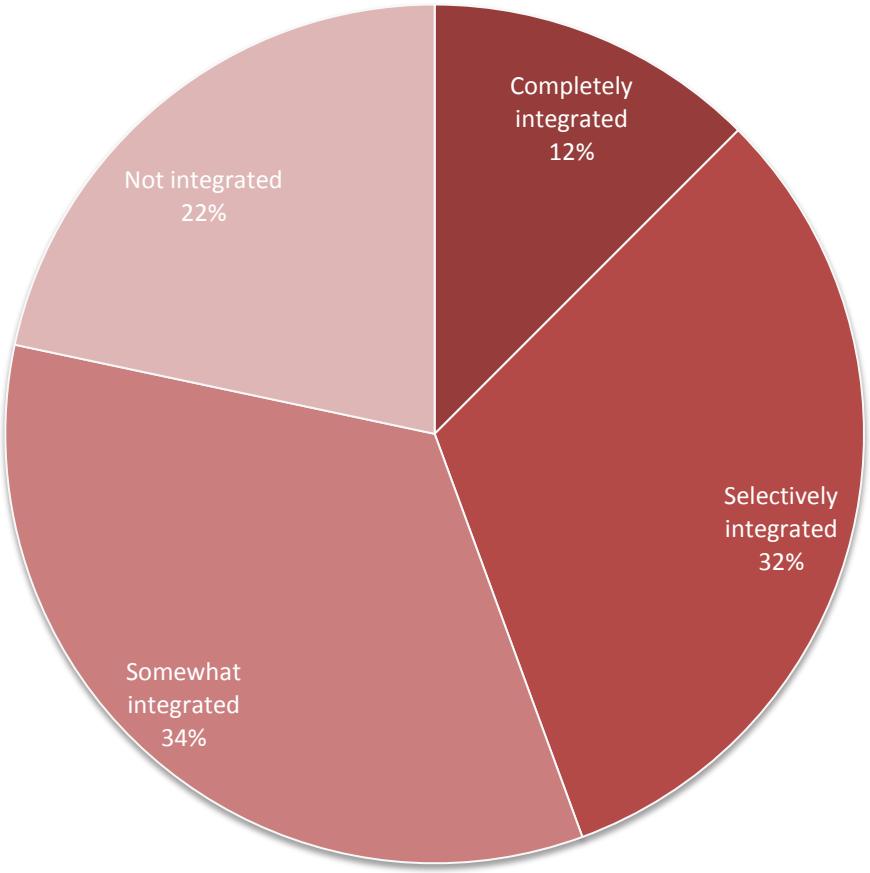
Using validated test data, website optimization offers profound insight into customer's inner motivations. Marketers leave money on the table when they fail to utilize these insights to inform other marketing initiatives. As optimization matures, we expect more firms to adopt optimization strategies in overall marketing campaigns.

In addition to weaving optimization insights into offline campaigns, **lessons from optimization and testing projects have significant potential in informing website design and overall digital strategy**. In particular, smart marketers have produced dramatic improvements to their overall website experiences, collecting, archiving, and continually evaluating test results to measure and improve the effectiveness of their sites (and overall digital strategy) over time.

We wanted to know the current level of overlap between website optimization campaigns and overall digital strategy, so we asked marketers the degree to which they integrated optimization with Web design.

Chart 1.12: Website optimization integration with overall marketing strategy

Q. How integrated is your organization's website optimization strategy with website design and/or larger marketing strategy?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,592

As depicted above, marketers remain split regarding the cohesiveness of their online strategy. Roughly a third of marketers have either selectively or somewhat integrated their optimization programs, while only 12% of marketers have advanced enough to completely integrate website optimization with their overall approach to digital marketing.

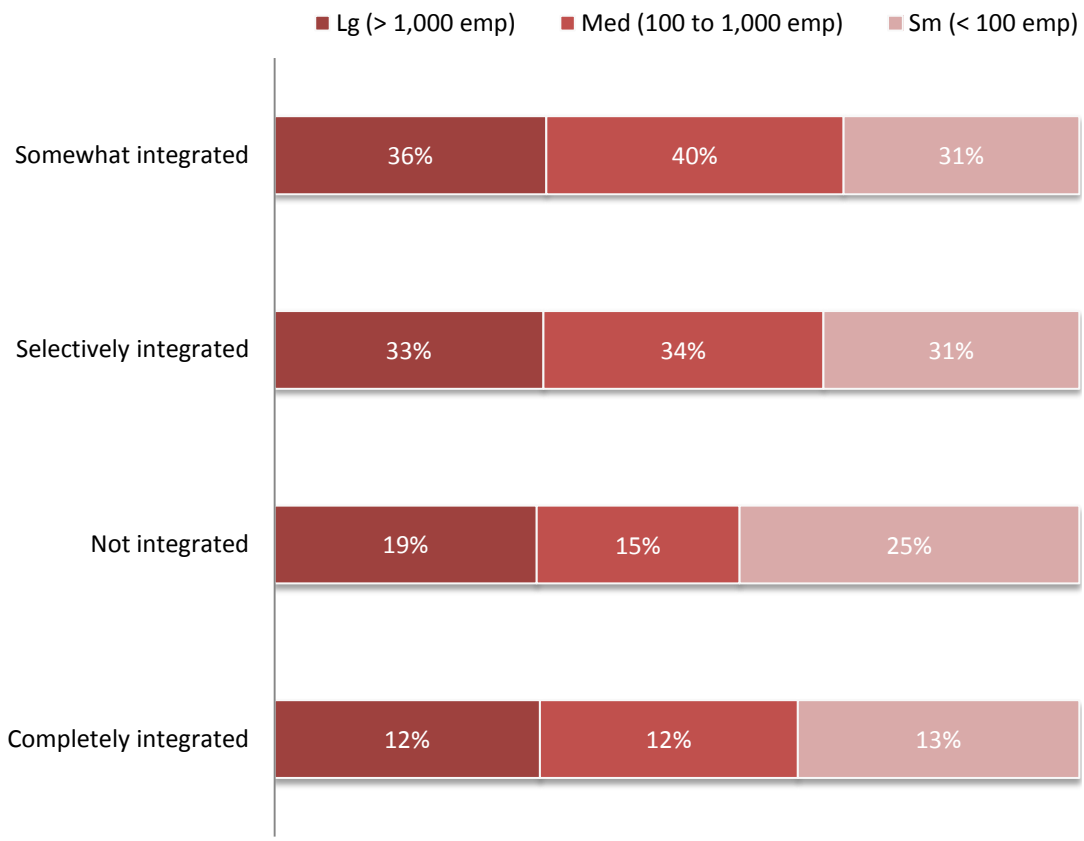
The core of website optimization's success is the ability to measure which features of a website are performing, and which fail to produce effective ROI. The 22% of marketers who have not yet integrated optimization to inform website design are missing out on the wealth of options this measurement opens up when designing new pages and continually optimizing existing pages.

The following chart divides the level of integration of optimization with marketing strategy by company size. Again, most firms remain divided in their level of optimization engagements. With fewer resources and time to execute all their digital campaigns, 25% of smaller companies keep online strategies separate, as opposed to 19% of larger firms.

Ironically, marketers with less time to dedicate to integration are the ones who would most benefit from the lessons optimization could bring to streamline digital operations.

Chart 1.13: Website optimization integration with overall marketing strategy, by company size

Q. How integrated is your organization's website optimization strategy with website design and/or larger marketing strategy?



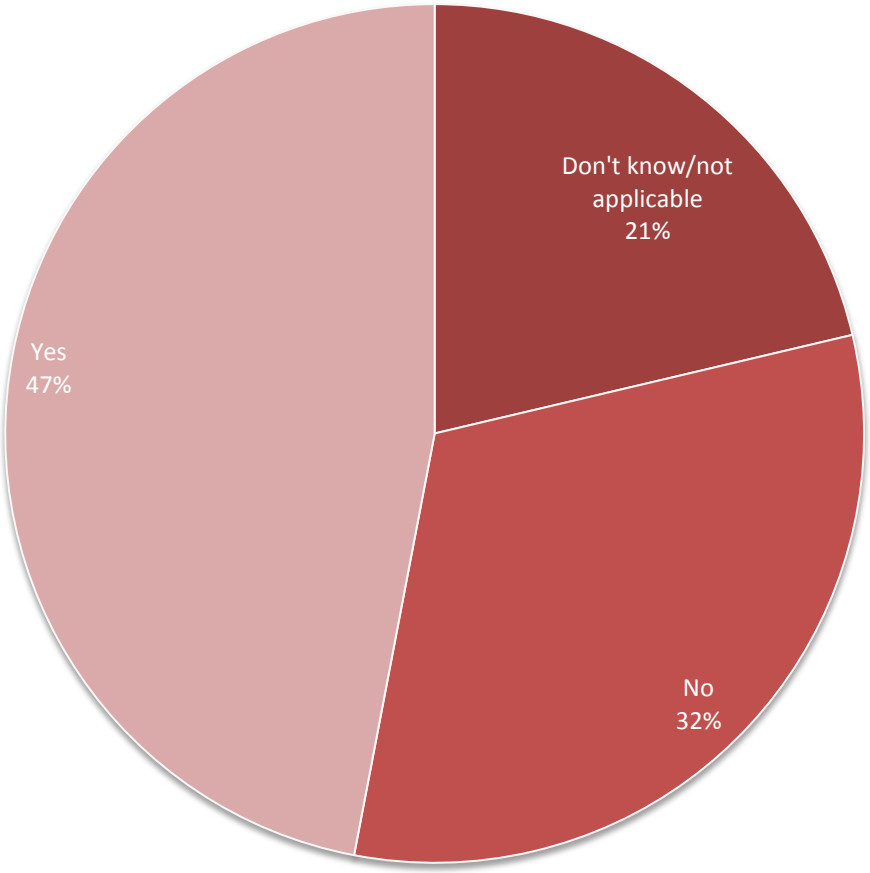
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,578

Integrating new marketing tactics into larger strategic decisions often comes with experience and proving to the C-suite and other stakeholders that the benefits of website optimization are worth the personnel and technology investments that a rigorous, iterative testing cycle requires. By maturity, **Strategic companies are nearly seven times more likely to integrate optimization into Web strategy** than Trial or Transition companies, with 46% versus just 6%, respectively.

What does it all mean? After more than a decade of website optimization's existence, what has been the impact on overall marketing strategy? We wanted to know how dramatically optimization is changing marketing processes, so we asked which Web designs or product developments changed as a result of insights gained from optimization and testing insights.

Chart 1.14: Effect of website optimization on overall marketing processes

Q. In 2011, did your marketing processes, website design or product development change as a result of your organization's optimization and testing insight?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=549

While 78% of marketers reported that their broader marketing campaigns were at least *somewhat* driven by website optimization results, only 47% of marketers indicated that their Web design or product development actually changed as a result of optimization lessons.

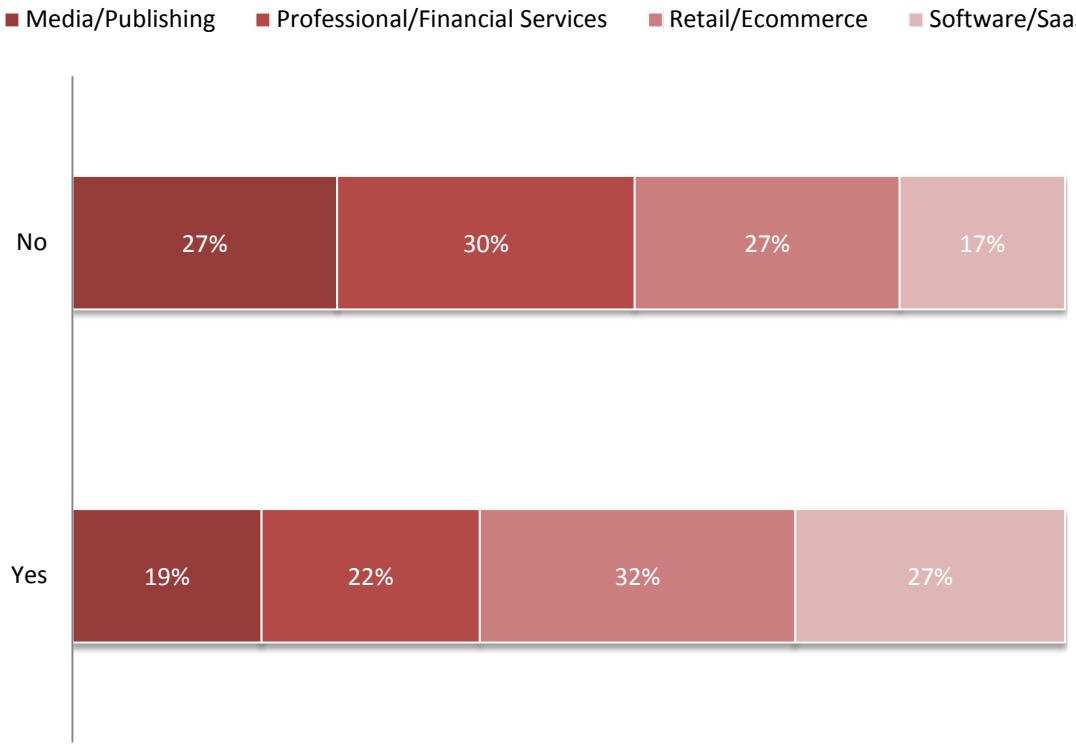
This is somewhat misleading, because as we saw in the last section, marketers have just begun to integrate optimization into overall design strategy, with only 12% completely integrated. As more integration occurs, and the proof of website optimization's ROI becomes increasingly prevalent, we expect it play a more transformative role in both website and product design.

Top industry respondents were less likely to change their overall marketing processes, with the leading sector, professional and financial services firms, coalescing optimization insights into new product development just 30% of the time.

Retail and e-commerce, and media/publishing sectors both utilized optimization lessons just 27% of the time, and software and SaaS companies dramatically lagged in optimization translation, with just 17% of firms noting they changed website design.

Chart 1.15: Effect of website optimization on overall marketing processes, by industry

Q. In 2011, did your marketing processes, website design or product development change as a result of your organization's optimization and testing insights?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=549

It is important to note that the "don't know/not applicable" responses were excluded from this chart, but in fact, represent the lion's share of marketers who answered this question. This statistic is a testament to marketers' confusion regarding how to use the results generated by optimization tests.

Website optimization offers a mirror into a company's products and services, and can explain how a firm is received by the market. However, pushing these lessons into transformative changes on larger marketing strategy or Web design is bound to lag overall integration.

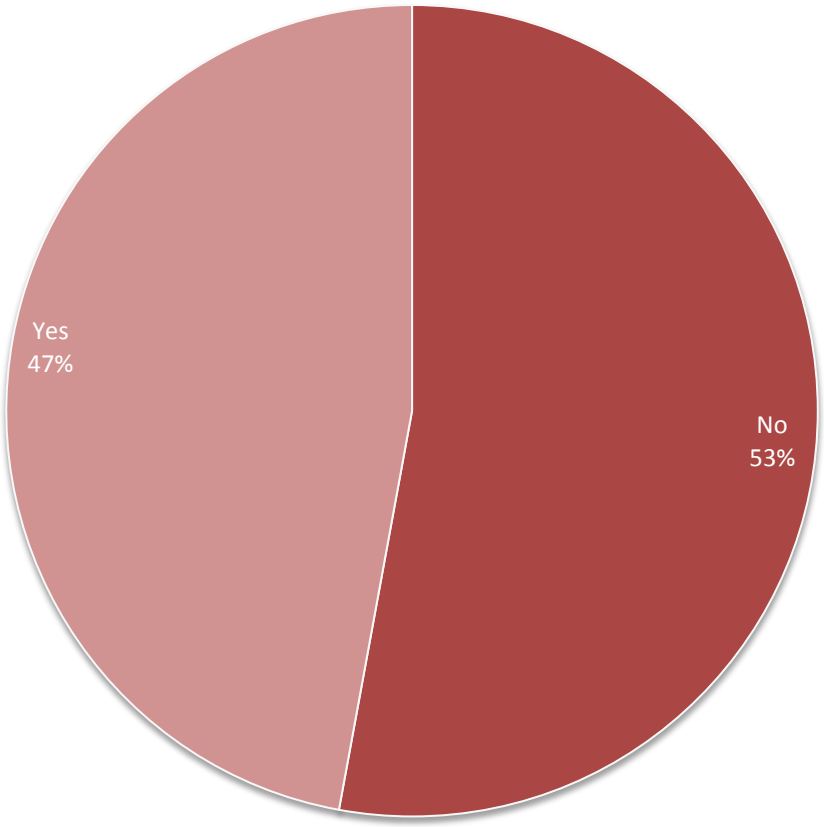
Many firms begin piloting product development efforts, prove the case for optimization, and allow the groundswell of results to lead the charge for a larger culture of optimization inside their marketing teams, and ultimately, company-wide.

How does website optimization affect marketers' customer theory?

Regardless of what technology we utilize, **great marketing continues to revolve around delivering the right message, to the right person, at the right time**. The advances of website optimization and this new technology, however, lie in overlaying testing insight onto the second pillar of great marketing – identifying the right audience for your message. We wanted to know how many organizations were capitalizing on optimization's wealth of customer insight, so we asked marketers if they employed testing to draw conclusions about their customer base.

Chart 1.16: Organizational use of website optimization and testing to inform customer theory

Q. Does your organization use website optimization and/or testing to draw conclusions about your customer base?



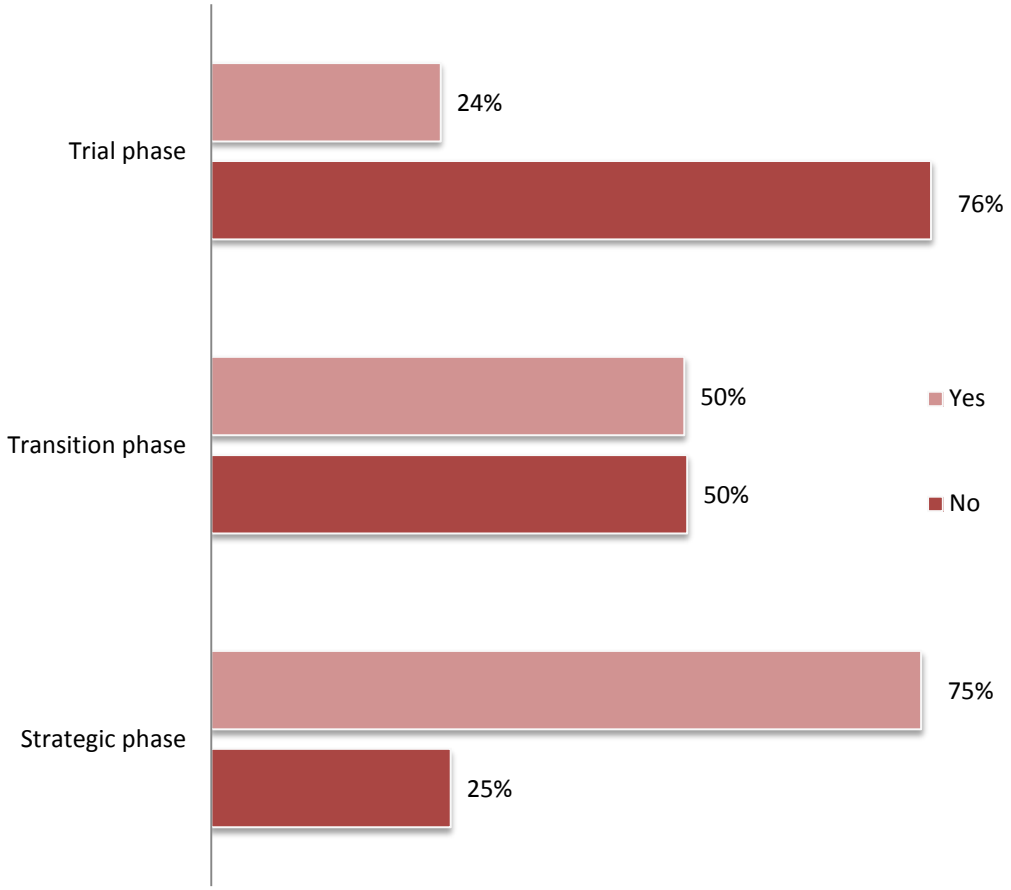
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,925

While 47% of marketers use optimization testing to inform customer theory, the preceding chart shows there is still a great deal of room for improvement, with more than half of marketers failing to fully deploy optimization within their organizations.

It is interesting that agencies reported they were roughly 66% more likely to use optimization lessons to transform their customer theory, with 60% of marketers inside marketing agencies using testing to influence customer theory, messaging and segmentation strategies.

Chart 1.17: Organizational use of website optimization and testing to inform customer theory, by maturity level

Q. Does your organization use website optimization and/or testing to draw conclusions about your customer base?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,887

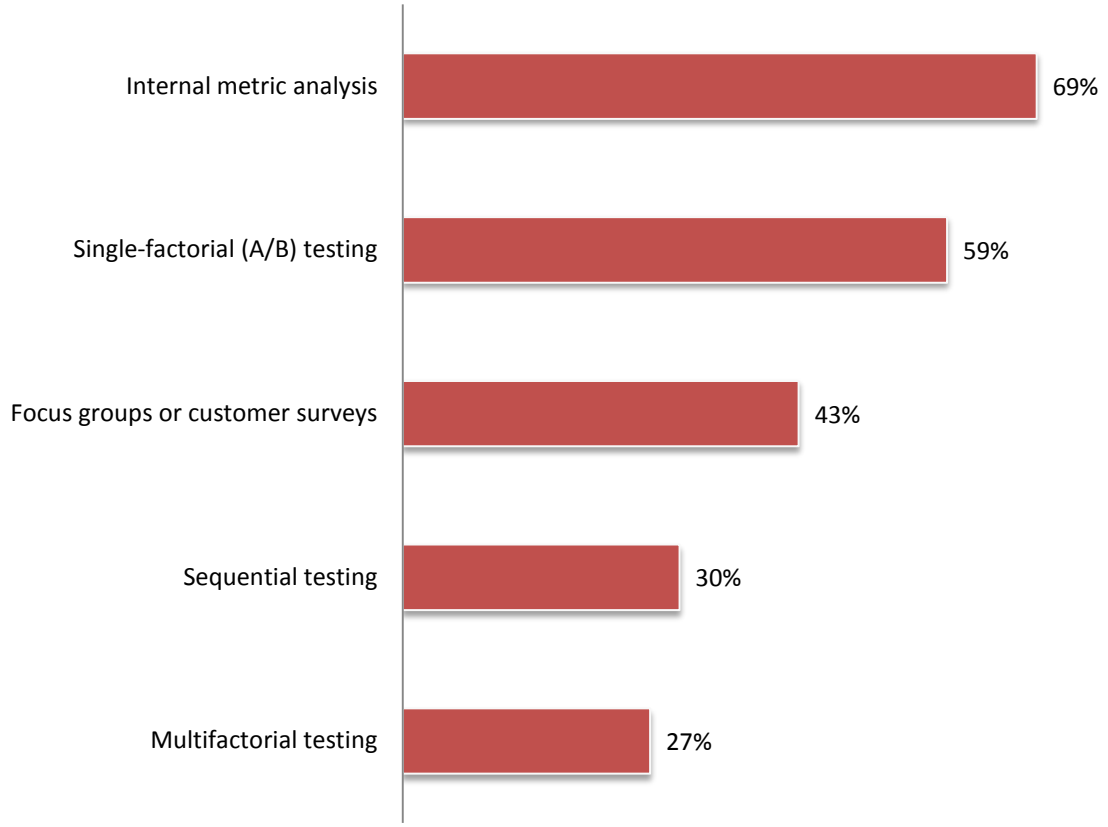
Maturity level is another key factor in determining how effectively marketers develop new conclusions about their customers as a result of website optimization. In an almost mirror image of one another, 76% of Trial Phase companies do not use optimization to develop customer theory, as opposed to the 75% of marketers, with mature programs, who use optimization testing to understand their core audience.

After establishing website optimization as a crucial tool for measuring and assessing effectiveness of overall marketing programs, we needed to address the most productive methods marketers implement to design new customer theory.

We wanted to know the most popular testing and analytic tools currently in use, so we asked marketers what tactics they use to learn about customers.

Chart 1.18: Analytics and testing to learn about customers

Q. Which of the following does your company employ to learn about customers? Check all that apply.



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 705

As the chart above shows, nearly 69% of firms use some form of internal metric analysis to better understand their customer base. Another 43% deploy more traditional – and expensive – methods of conducting focus groups and developing customer surveys to learn about audience preferences.

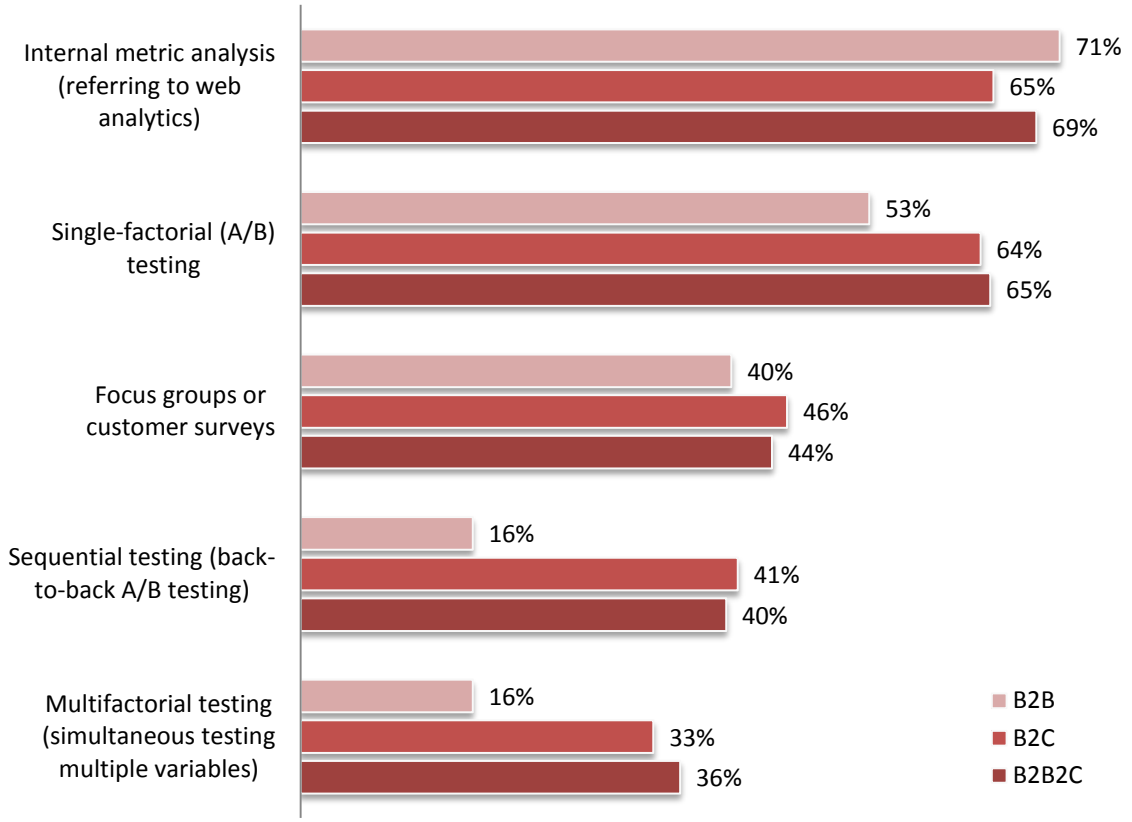
It is good news for dedicated optimizers that testing showed so strongly within marketers' customer development strategies. We see that **59% of respondents have used some form of single-factorial (split or A/B) testing to learn about customers**. More complicated to validate and resource-intensive testing methods, such as sequential (back-to-back A/B tests), and multifactorial testing lagged the field with just 30% and 27% adoption rates, respectively.

As displayed in the chart below, **companies marketing directly to consumers employ more advanced testing techniques**. In fact, B2C firms were 106% more likely to employ multifactorial testing, and 156% more likely to use sequential testing, than their B2B colleagues.

Because the results of correcting page drop-offs in shopping carts, and other crucial online purchasing paths, are immediately evident via testing, B2C firms likely show a more immediate revenue return on their testing strategies, resulting in a wider acceptance (and subsequent investment in) a more intensive testing program.

Chart 1.19: Analytics and testing to learn about customers, by channel

Q. Which of the following does your company employ to learn about customers? Check all that apply.



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 697

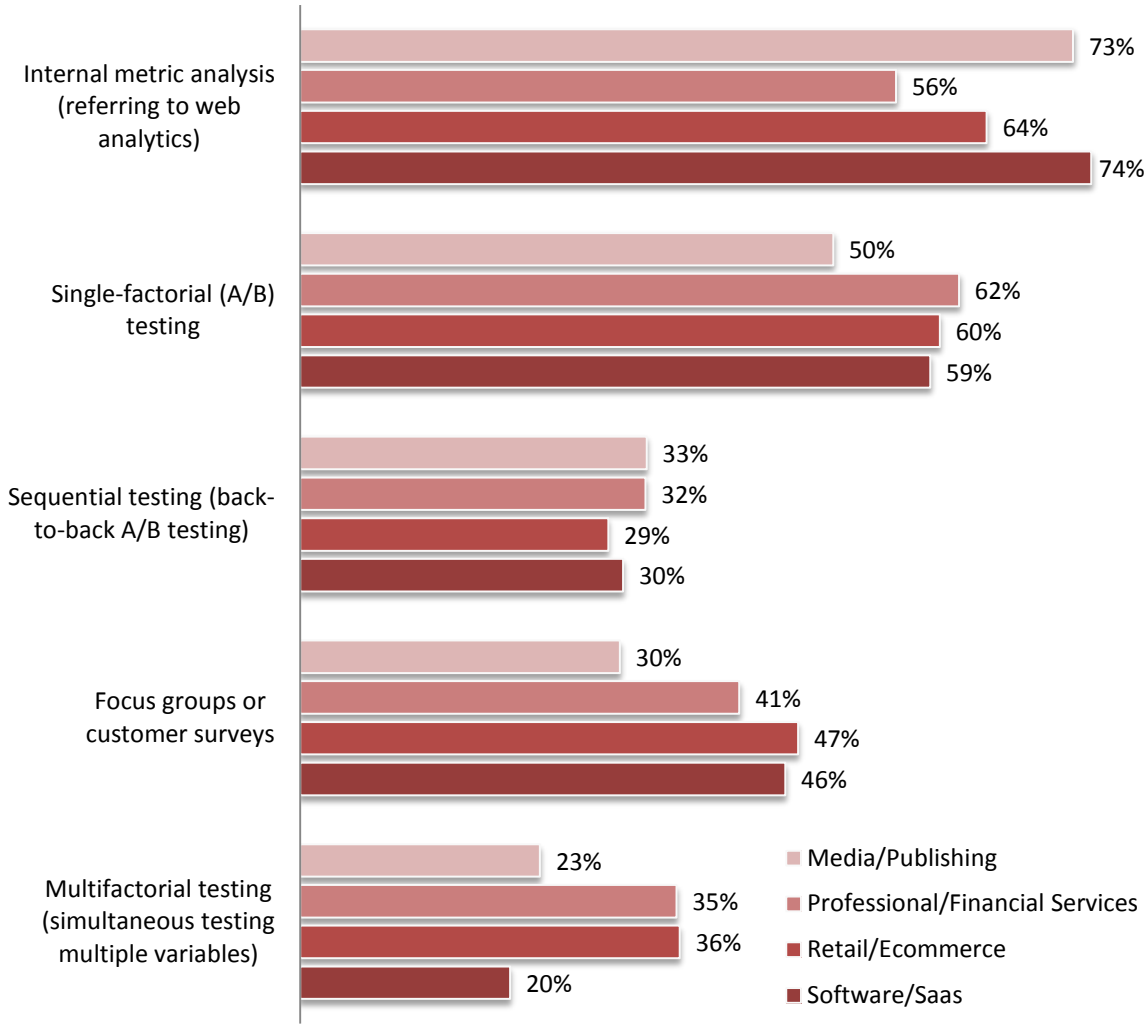
B2B companies are much more likely to review Web analytics and other internal metrics to identify the most critical customer profiles. While Web analytics can certainly provide directional information on traffic patterns, page views and other conversion actions, **the only way to actually assess how different website treatments will fare in the "real world" is to test them with your Web audience**.

Both media/publishing companies and software/SaaS firms also primarily focus on Web analytics to study their audience, with 73% and 74% focused on metrics, respectively. This is likely for different reasons, such

as media's focus on research, and software firms' experience in tracking data online. It is clear that different marketers use analytics in a variety of ways, all of which can inform customer strategy.

Chart 1.20: Analytics and testing to learn about customers, by industry

Q. Which of the following does your company employ to learn about customers? Check all that apply.



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=419

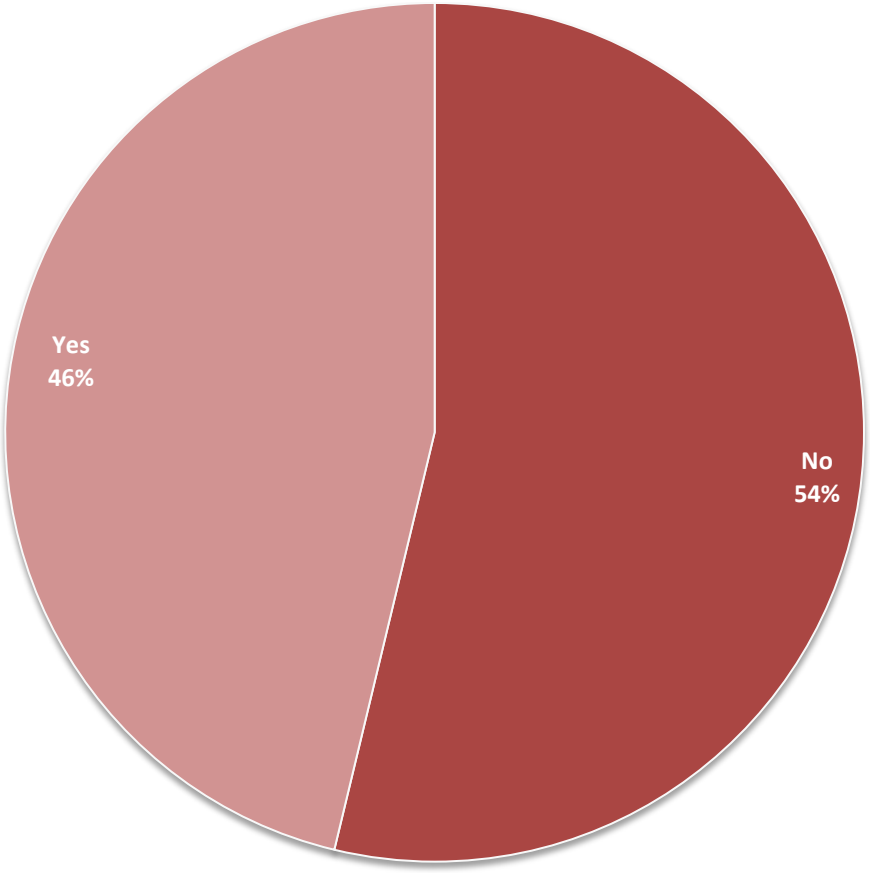
Likely as a result of immediate feedback, financial service and e-commerce firms are more likely to employ advanced testing tactics, with 35% and 36% utilizing multifactorial testing to develop customer theory.

Once we discovered that agencies are 66% more likely to incorporate optimization lessons to profile customers, we wanted to identify exactly how advanced the execution of customer segmentation is..

To identify facets of agency testing strategies used to understand target markets, we asked agencies whether they distinguished between customer/profile specific discoveries, and more universal digital marketing insight.

Chart 1.21: Agencies' test design strategy for identifying customer-specific profiles

Q. For Agencies: When designing website optimization tests, does your organization distinguish between customer/profile specific discoveries and broader, more universal discoveries?



marketingsherpa Source: ©2012MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=506

Agency practitioners were split when culling specific customer profiles from broader discoveries, with 54% responding in the affirmative, and 46% of companies not yet identifying profile-specific insight.

This data may be representative of the agencies' learning curve, as they adopt more advanced optimization techniques. But, it could also be indicative of the lag from in-house practitioner's customer strategies, as agencies can only push clients' adoption rates so quickly, as we explore in the next chart.

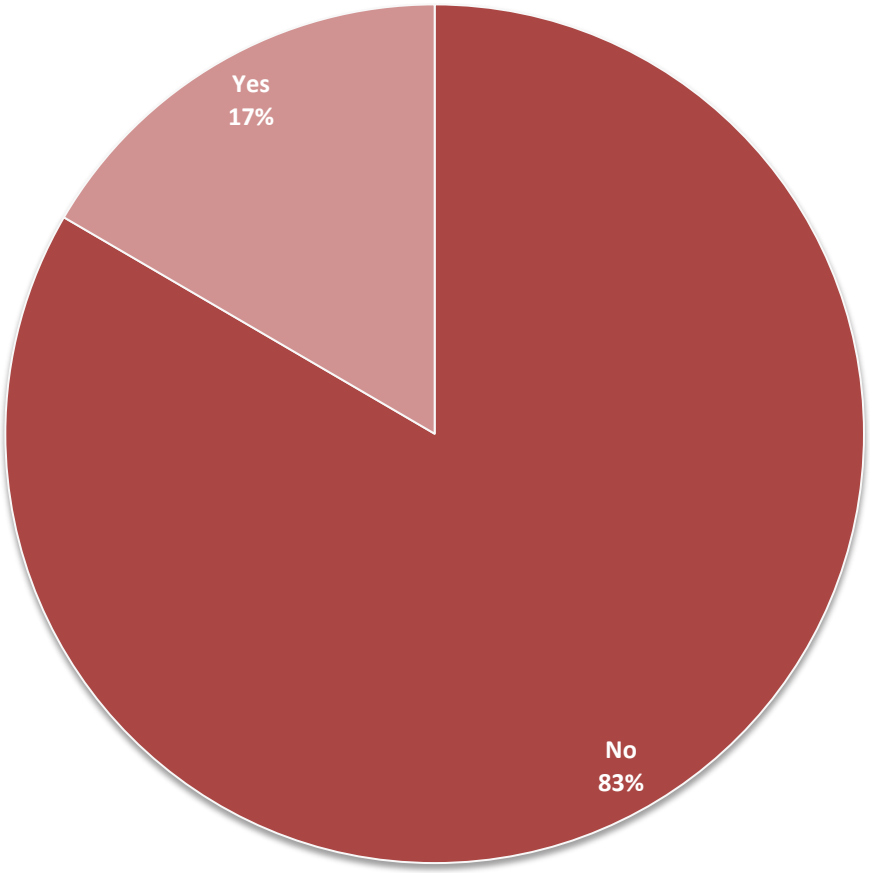
The vast availability of online data means that marketers can glean unprecedented insight into their customer's thoughts and preferences. **When combined with historical Web analytic data, optimization**

testing can identify which messaging and buying paths will work for multiple audience sectors. Then, browsing or cookie history can allow marketers to design different conversion paths for audiences in different segments or buying stages.

We wanted to discover if marketers undertaking website optimization projects have taken the leap to derive specific customer profiles from their broader online discoveries, so we asked them if they were running separate tests to isolate audience profiles.

Chart 1.22: Testing to distinguish specific customer segments

Q. Does your organization run separate website optimization tests (or segment test results) to isolate specific customer profiles?



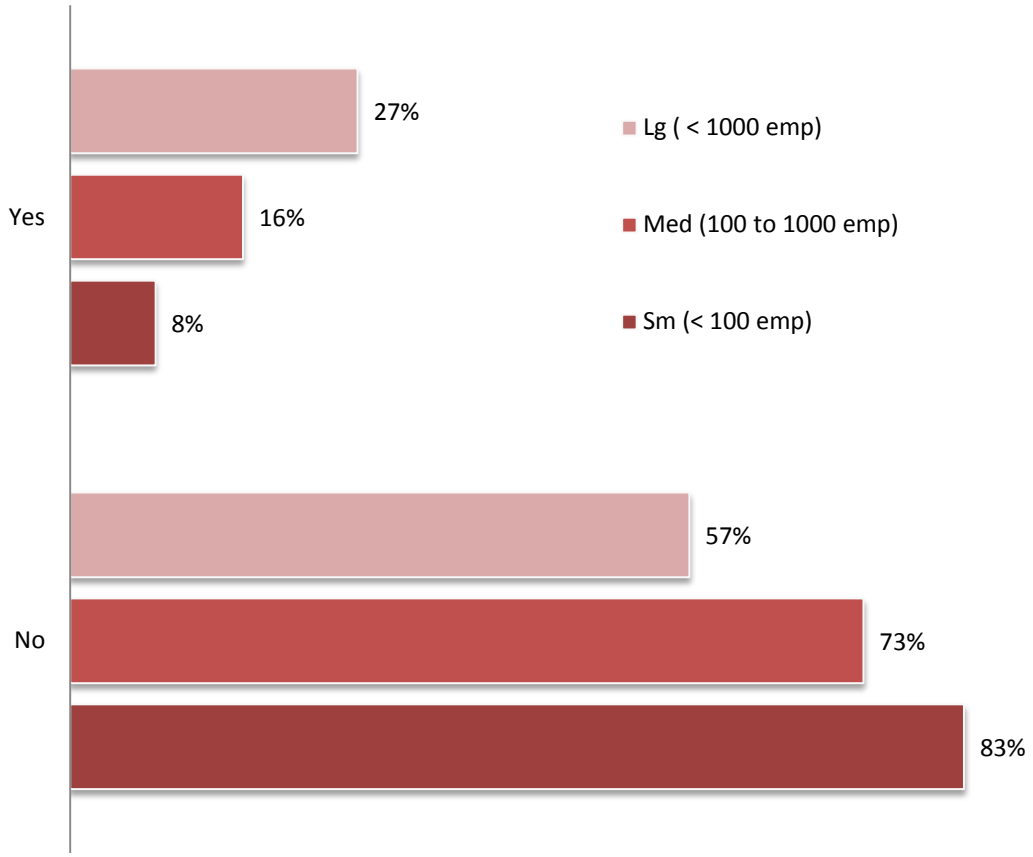
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=506

As the chart above illustrates, 83% of in-house marketers do not yet separate customer profiles to develop a better understanding of niche audiences. While this is an advanced practice which most Trial and Transition Phase firms are not yet capable of performing, less than 20% of marketers do not employ every possible strategy to better craft their customer segments.

As you would expect, Strategic Phase companies are more than 200% more likely to pinpoint individual audience attributes than Trial Phase marketers, and 48% more explicit with profiling than Transition firms, with just 14% of Transition Phase marketers deploying this advanced segregation technique.

Chart 1.23: Testing to distinguish specific customer segments, by company size

Q. Does your organization run separate website optimization tests (or segment test results) to isolate specific customer profiles?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=

Similarly, 27% of large companies reported running tests on explicit customer segments, as opposed to 16% and 8%, respectively, of their medium and small company peers. While larger companies can allocate greater resources to run more expensive testing programs and analytical tracking required for this kind of customer profiling, it is still worth noting that **nearly 60% of large company marketers still don't isolate their customer segments**.

This is an exciting time for dedicated website optimizers. The digital revolution has transformed marketers' ability to learn about, and communicate with, customers. As marketers advance in optimization competence and execution, we expect to obtain more knowledge of customer theory, and of how firms position themselves in the market, which will help marketers strategize accordingly.

CHAPTER 2: TRANSFORM WEBSITE OPTIMIZATION IN MESSAGING

"Clarity trumps persuasion" – Dr. Flint McGlaughlin

At the heart of every major marketing campaign lies a message. **The determining factor in any successful marketing campaign is how well it expresses a company value proposition**, and how successfully it displays the features and benefits of its products and services.

Beginning **marketers often design webpages with too many goals in mind**. Designing a homepage with an excess of calls-to-action and buttons does not exponentially increase the page's likely conversion rate. **If a reader comes to your site and gets confused, the only button they are likely to click is "back."**

Instead, each webpage should logically address a specific concern, and lead your audience down a logical conversion path, without allowing the reader to do any unsupervised thinking on the page.

If done well, a website can create a very personal interaction with the reader. Like any relationship, you must address your online audience correctly. Know where your audience sits on their decision-making trajectory, and ensure that your landing pages provide the appropriate level of information for that buying stage.

In Chapter 1, we reviewed how marketers identify core audience segments. In Chapter 2 we address how to use optimization to test your messaging. The first half of this chapter covers the most important item in a marketer's arsenal – the value proposition.

The second half explores how marketers construct their webpages, how they determine test design and execution, and what webpages and specific page elements marketers find to have the biggest impact on bottom line results.

Specifically, we will review:

- How do marketers convey value propositions via their websites?
- What factors drive website optimization test design?
- What website components do marketers optimize?
- Which page elements have the largest impact on website optimization?

HOW DO MARKETERS CONVEY VALUE PROPOSITIONS VIA THEIR WEBSITES?

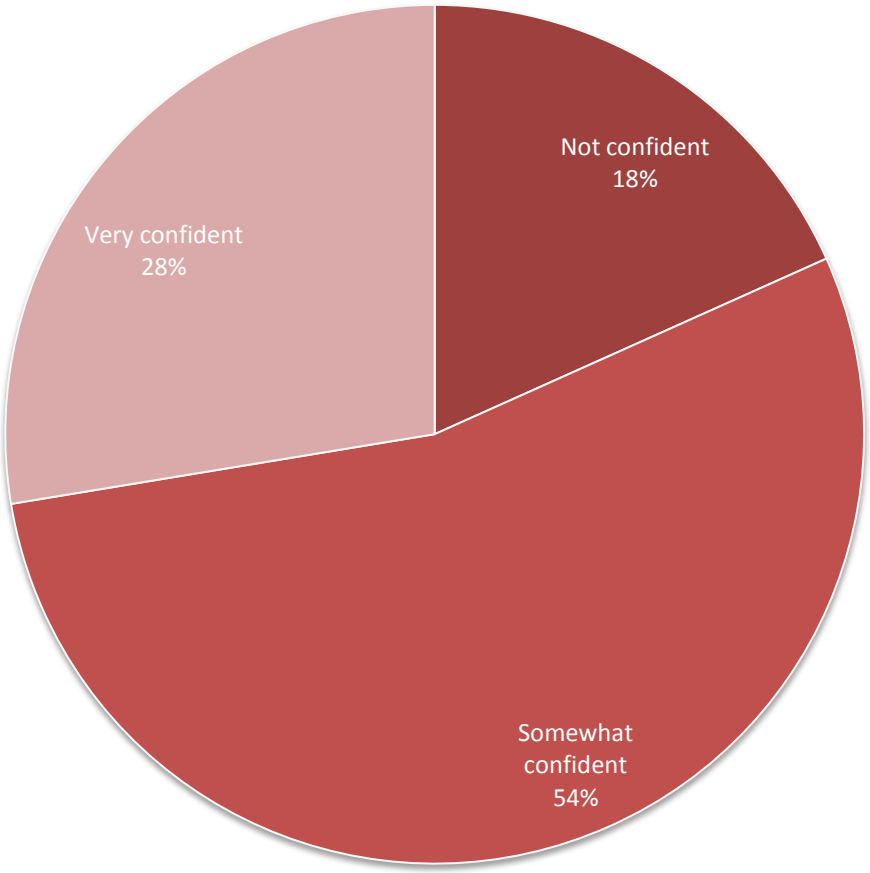
Every first step for building a successful marketing campaign is developing a compelling value proposition. Online, the value proposition is generally messaged to the customer in an easily scanned location. You need to present a concise, credible statement about your product to entice your reader to keep reading your website.

At MECLABS, we define "value proposition" as the answer to the question, "Why should your ideal prospect buy from you rather than any of your competitors?"

We wanted to learn how marketers felt about their current messaging, so we asked them how much confidence they had in the strength of their organization's value propositions.

Chart 2.01: Marketers' confidence in the strength of their value propositions

Q. How confident are you in the strength of your organization's value proposition(s)?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=645

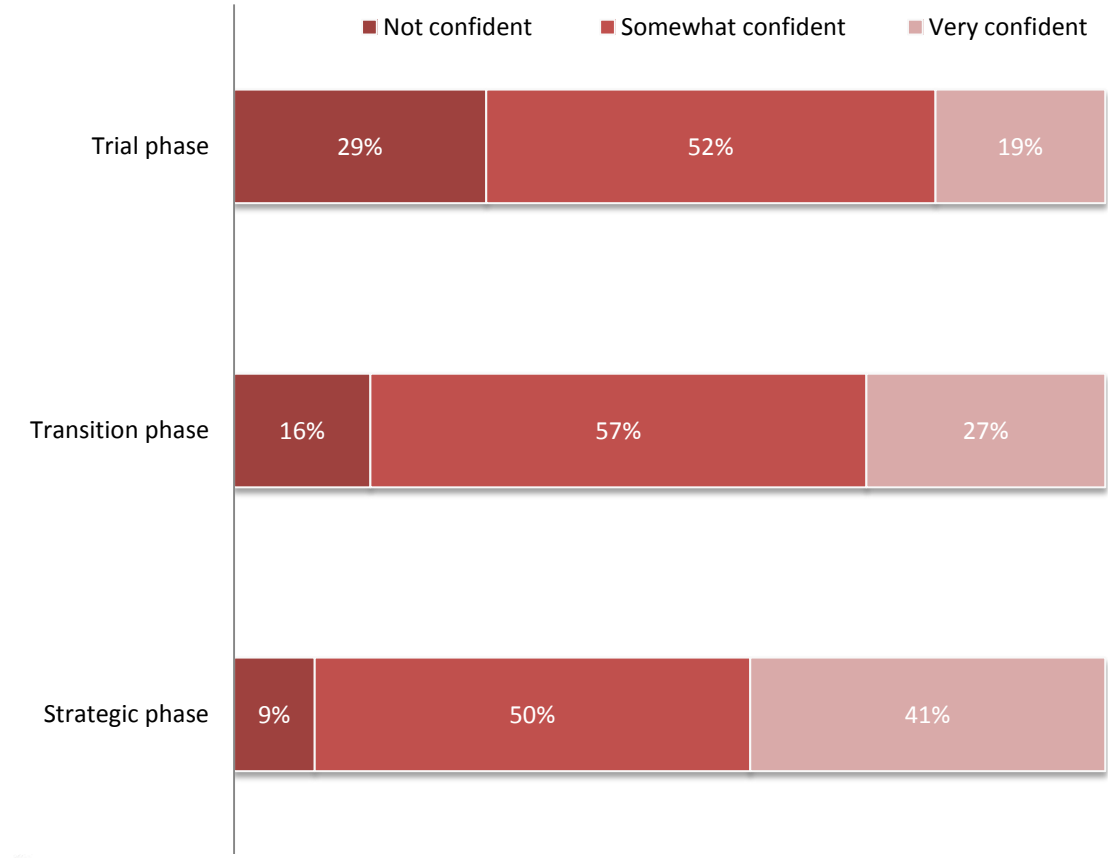
As you can see, while more than half of marketers were somewhat confident, only 28% of marketers expressed conviction in the strength of their value propositions. With so much riding on a good value proposition for the success of online marketing, the fact that **less than a third of marketers are very**

confident in their messaging means marketers still have quite a bit of room for improvement in learning about this foundational marketing element.

Interestingly, there was not much variation in confidence between channel and company size. By channel, 27% of B2B, 26% of B2C and 30% of B2B2C marketers, respectively, indicated they were very confident in their value proposition's strength. Similarly, 26%, 32% and 29% of small, medium and large companies, respectively, reported being very confident in how they conveyed their core company message.

Chart 2.02: Marketers' confidence in the strength of their value propositions, by maturity level

Q. How confident are you in the strength of your organization's value proposition(s)?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=630

The real differentiation breakthrough for marketers' value proposition development appears to be maturity level. While 29% of Trial Phase marketers were not confident in the strength of their message, just 9% of Strategic Phase marketers felt the same. Furthermore, 41% of Strategic Phase marketers reported they were "very confident" in their value proposition's potency – 48% above the overall average, and 115% better than their Trial Phase peers.

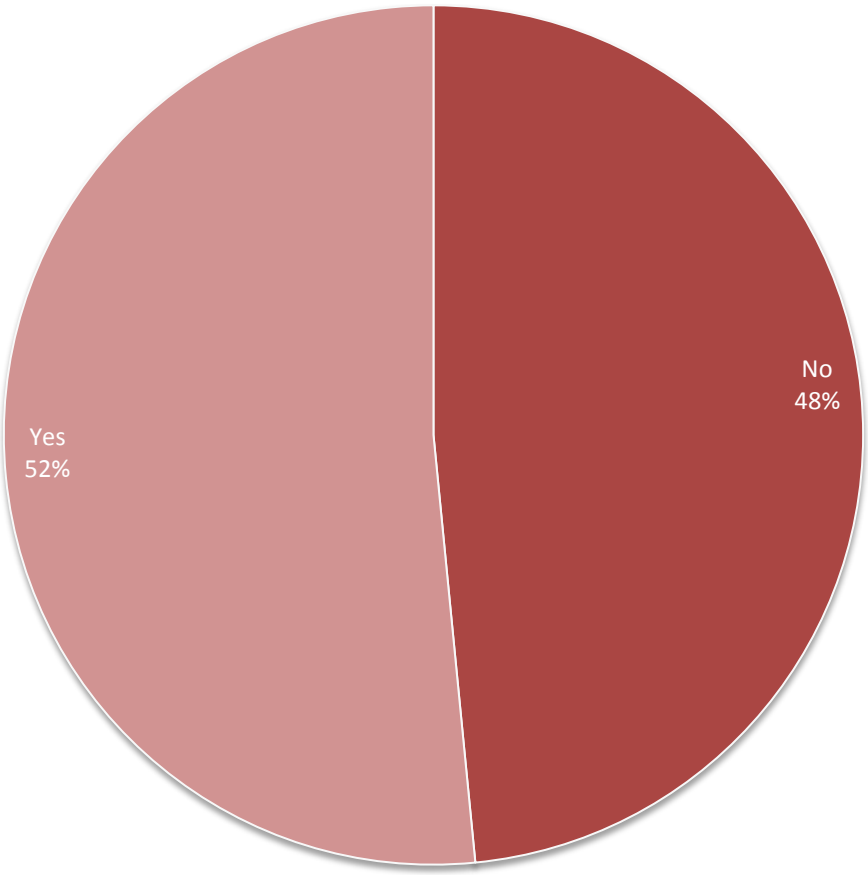
If the crux of any successful marketing campaign is a strong value proposition, it is also vital to effectively communicate your message. This means first developing a compelling message, then making sure every member of your marketing team can express the message.

In terms of website optimization, **communicating the corporate value proposition also means collaborating with a variety of online (and offline) teams**, including the brand manager, copywriter, webmaster, SEO and PPC teams, to ensure the same message translates throughout the entire website (as well as offline campaigns and actual product development and delivery).

We wanted to see how effectively marketers communicate their company messages, so we asked CMOs how much faith they had in the ability of their team to communicate the corporate value proposition.

Chart 2.03: CMO confidence in marketing's ability to communicate company value proposition

Q. For CMOs: Are you confident that each member of your marketing team can clearly and succinctly state your company (or product) value proposition?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=547

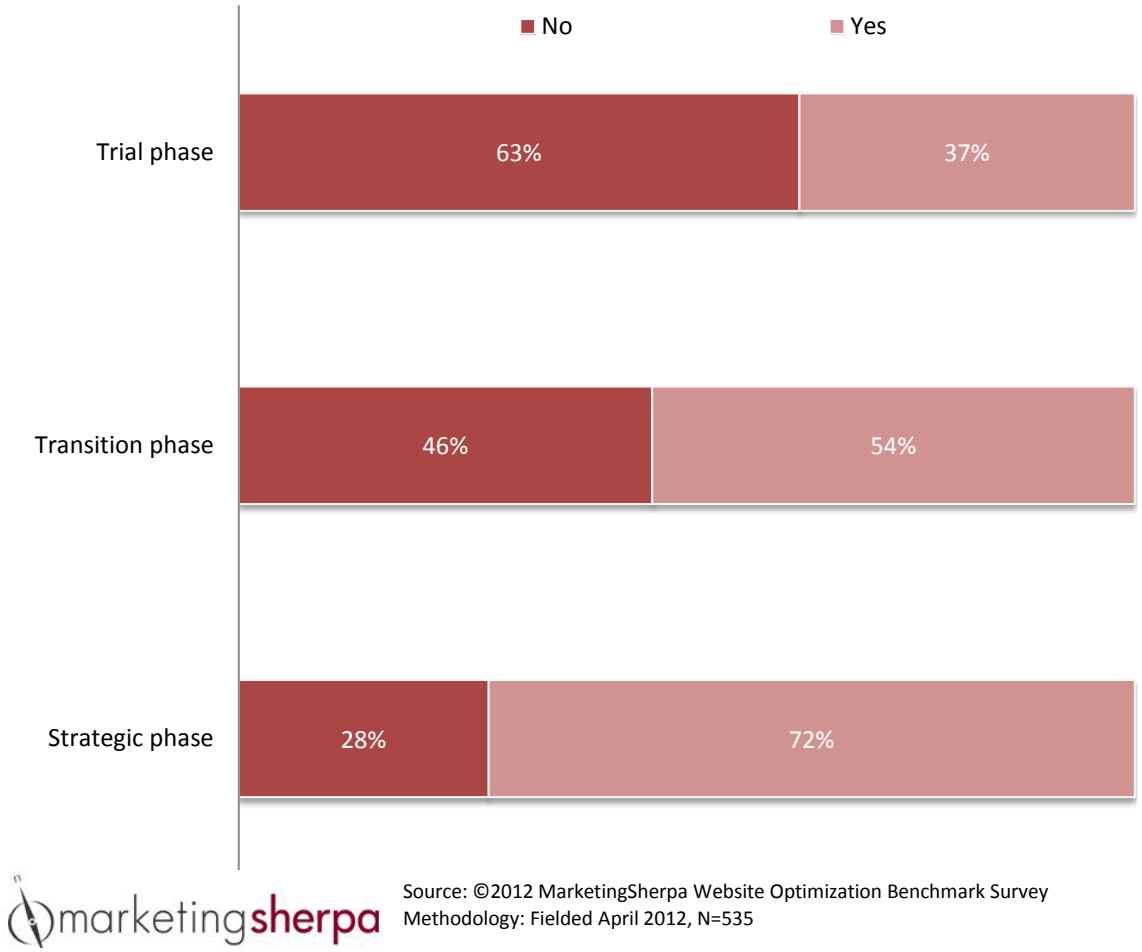
As the chart above shows, CMOs' faith in their teams' capabilities is divided. While 52% of marketers have confidence in their team, just about half still do not believe in their teams' ability to express their organizations' value proposition.

The above chart indicates a hindrance to the successful implementation of website optimization. **A remarkable value proposition won't help your digital ROI if the team is unable to articulate that value proposition to your online market**.

In the previous chapter, we established the direct nature of B2C and B2B2C sales has advanced the optimization expertise of consumer-facing firms. We found this trend again with 54% of both B2B and B2B2C CMOs confident in team communication, versus 48% of B2B CMOs.

Chart 2.04: CMO confidence in marketing's ability to communicate company value proposition, by maturity level

Q. For CMOs: Are you confident that each member of your marketing team can clearly and succinctly state your company (or product) value proposition?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=535

CMOs with established website optimization policies and procedures were much more likely to express confidence in their team's value proposition dexterity. As 72% of all CMOs confidently confirmed their

marketing teams can state the company value proposition, they reported 33% more conviction than Transition firms, and nearly 95% more trust in their team than Trial Phase firms.

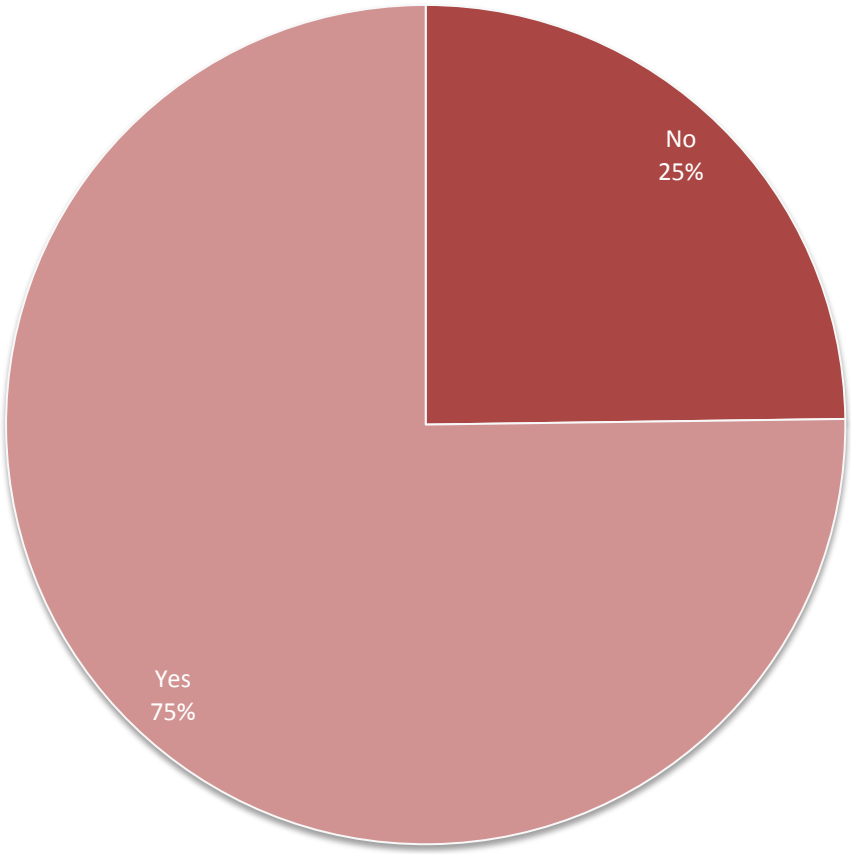
In addition to conveying the importance of a firm's value proposition throughout the entire marketing team, successful optimization efforts also require the marketing team to work with the C-suite, to effectively identify and express the firm's value proposition.

C-suite support is vital to the success of internal website optimization programs. Ensuring CEOs can communicate the company vision can make or break optimization efforts – and overall marketing goals.

We wanted to look up the ladder, so we asked marketing managers to identify the level of confidence they maintain on their CEOs' ability to express the company value proposition.

Chart 2.05: Marketing manager confidence in CEO ability to communicate corporate value proposition

Q. Are you confident your CEO (or senior manager) can clearly and succinctly state your company or product value proposition?



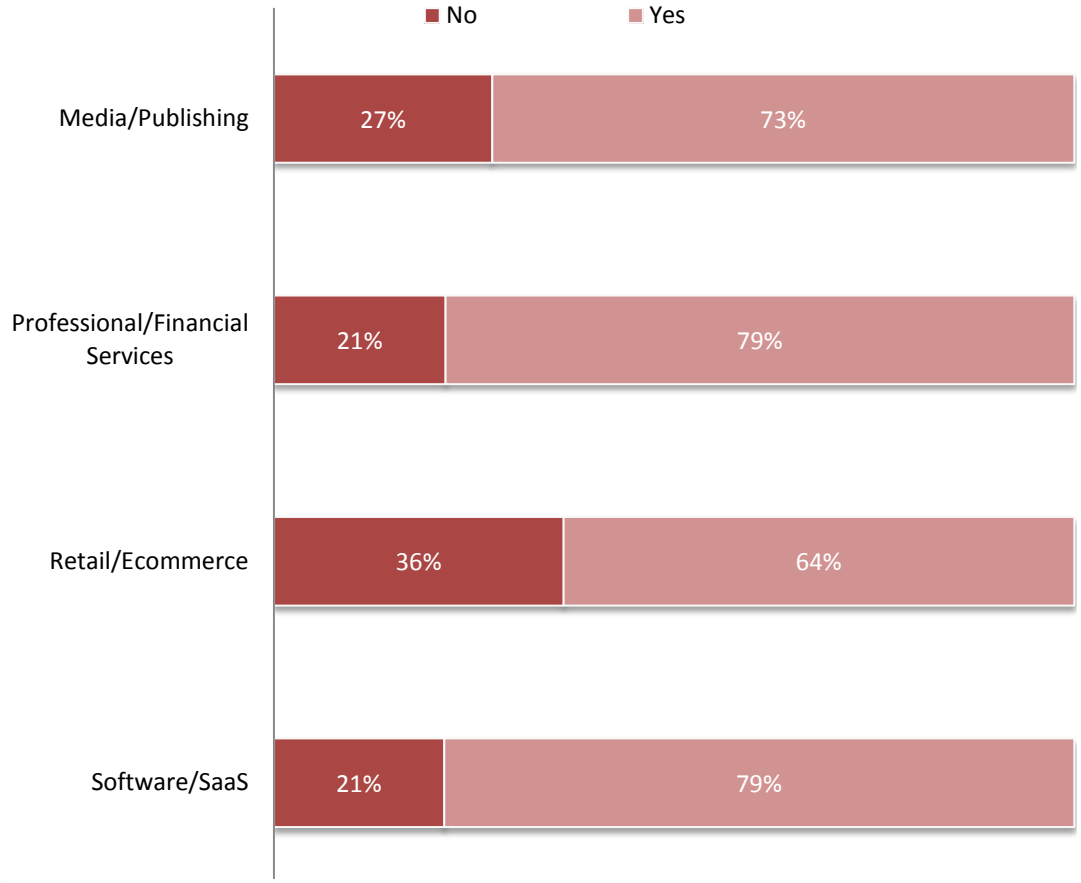
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=351

Encouragingly, 75% of marketing managers were confident their CEOs could clearly express their corporate value proposition effectively. While this is a positive statistic, it remains somewhat dubious that 25% of marketing managers do not have faith in their marketing managers to communicate this pivotal tenet of marketing strategy.

We often say that marketing should not be a cost center for a company, but rather a partner to help the C-suite drive revenue to the firm. If 25% of CEOs cannot convey the essential core of their team's digital strategy, it will be very difficult for those marketers to test changes to the value proposition, or evaluate the success of different messages for different audience segments.

Chart 2.06: Marketing manager confidence in CEO ability to communicate corporate value proposition, by industry

Q. Are you confident that your CEO (or senior manager) can clearly and succinctly state your company or product value proposition?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=351

In a slightly surprising statistic, retail firms were less likely to express confidence in their CEOs than their professional and software peers, with just 64% confident in their value proposition convictions. This is perhaps due to the number of different value propositions that can be produced by a wide array of consumer products.

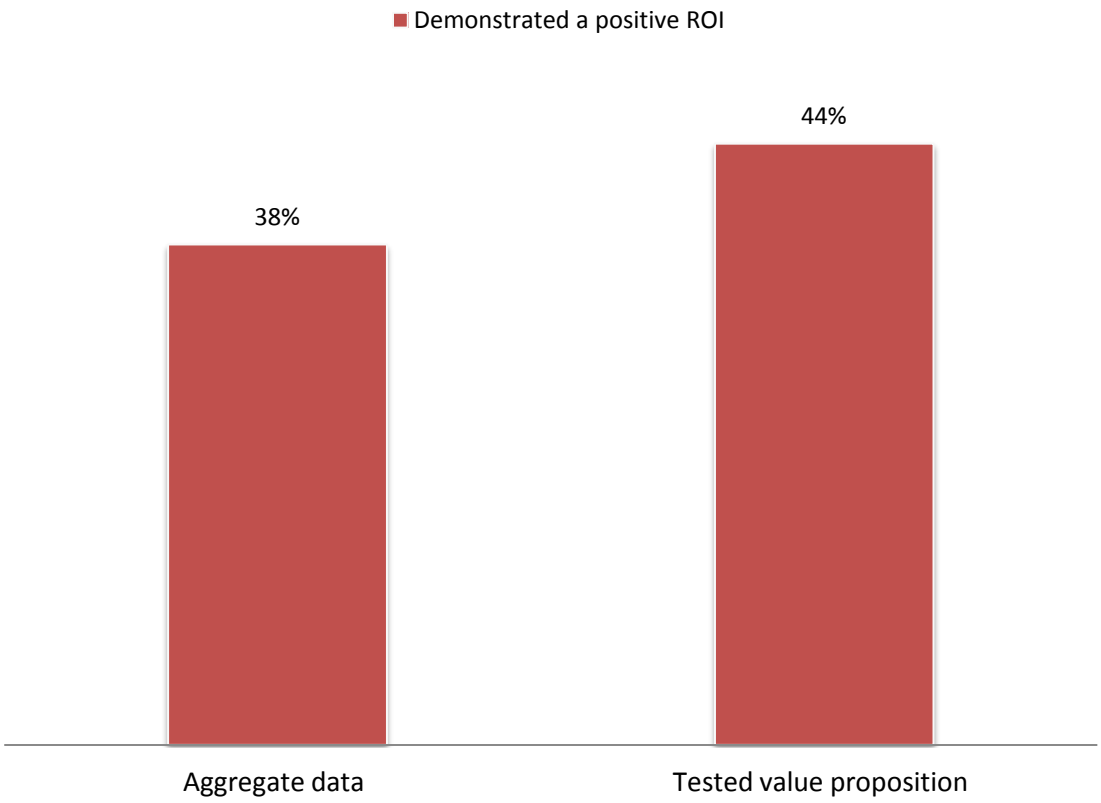
HOW DO MARKETERS EVALUATE THEIR VALUE PROPOSITIONS?

When developing a value proposition, you must address what makes your products and services more appealing, more exclusive, and more desirable than anything else on the market.

Rather than guessing what your audience will find appealing, website optimization allows firms to test your value proposition with your target audience. Testing cuts through much of the politics inherent in developing a successful value proposition. It eliminates discussions about what your audience will respond to, based on intuition, and replaces them with hard evidence about where their target market resides.

Chart 2.07: Connection between optimization programs that test value proposition and ROI

Q. Has your organization tested your value proposition(s)?
Q. Did optimization or testing demonstrate ROI in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=317

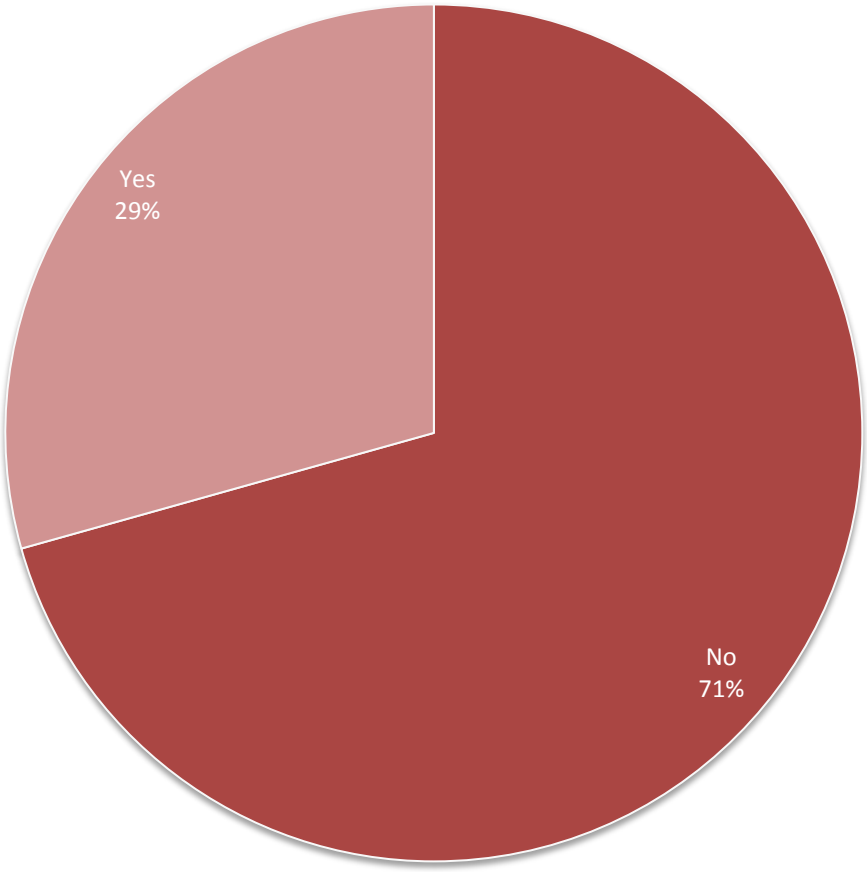
In the 2012 MarketingSherpa Website Optimization Survey, we discovered that firms which tested value propositions were 15% more likely to produce ROI for optimization programs. While 15% may not seem significant, 53% of marketers do not (or cannot) calculate the ROI of their optimization programs. With so many marketers struggling with the ROI of optimization programs, **testing the crucial elements of websites, such as value propositions, can bring about major industry-wide improvements in optimization success**.

Testing a company value proposition spells a 15% improvement in the success of website optimization ROI. For companies that invest more than 25% of their marketing budgets in website optimization and design, a 15% improvement on that outlay amounts to a significant boost, with just a "simple" change.

With this in mind, we set out to discover how many marketers actually tested the effectiveness of this pivotal aspect of messaging, by asking if their organizations tested value propositions.

Chart 2.08: Percentage of marketers who test value propositions

Q. Has your organization tested your value proposition(s)?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,156

Unfortunately, 71% of the more than 1,100 in-house marketers who responded to this question did not test their value propositions.

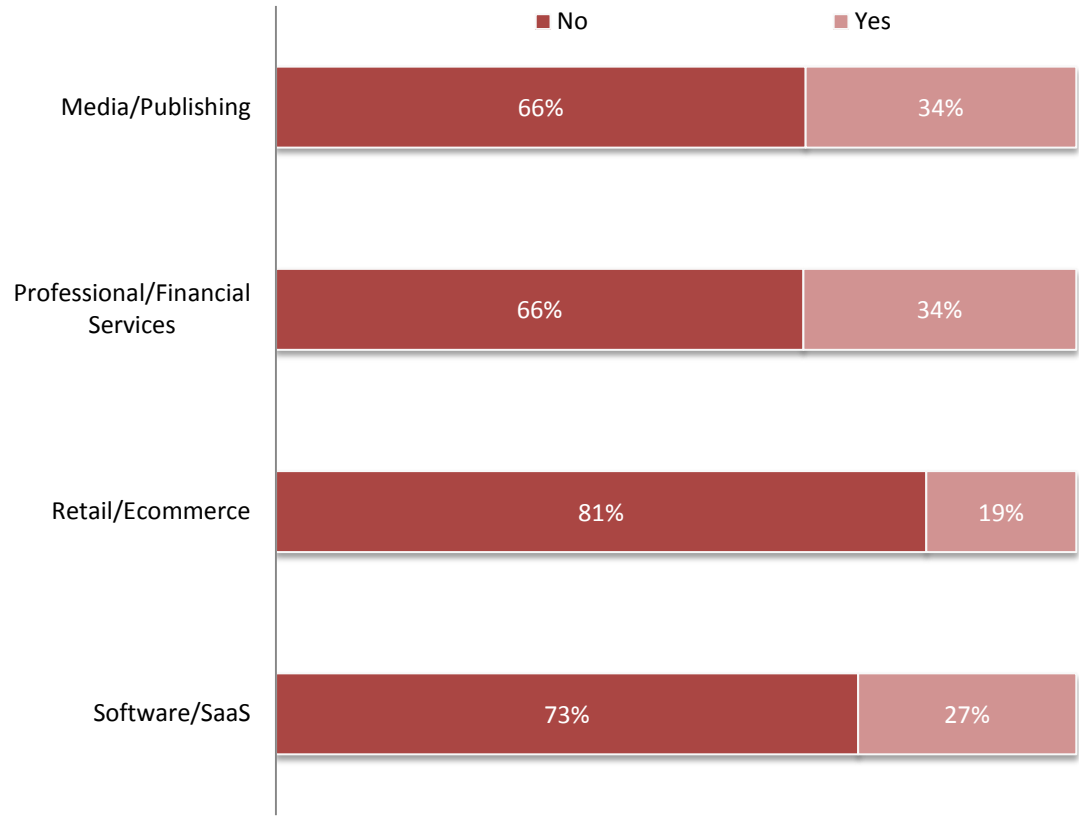
Why is testing so crucial to the success of marketers' digital strategies? **The value proposition is the paradigm through which all marketing messaging is crafted**. Without it, marketers are ultimately reduced to guessing what messages will evoke a response from their audience.

While marketing intuition is invariably important (particularly as you hone the first draft of messaging), hard numbers and proof you have pinpointed your audience's "hot buttons" are much more valuable for the long-term ROI of your digital efforts.

Looking at testing by industry, it is interesting that more traditional companies such as media/publishing and professional/financial service companies were 78% more likely to test their value proposition messaging than retail/e-commerce firms.

Chart 2.09: Percentage of marketers who test value propositions, by industry

Q. Has your organization tested your value proposition(s)?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1156

Again, Strategic companies were much more likely to employ value proposition evaluation, with nearly half (49%) of these firms testing, as opposed to 31% of Transition Phase and 15% of Trial Phase companies.

Intuition can certainly supplement testing by helping to interpret the results of your value proposition testing. But, **relying exclusively on intuition to measure value proposition is simply inferior to testing, which delivers numerical date that can be verified and circulated**.

With so much riding on the value proposition, marketers need to consider how to better employ testing in their optimization efforts.

We have established the value proposition as a vital component of a marketer's overall online messaging strategy. It is also vital to the visual layout of a website or landing page.

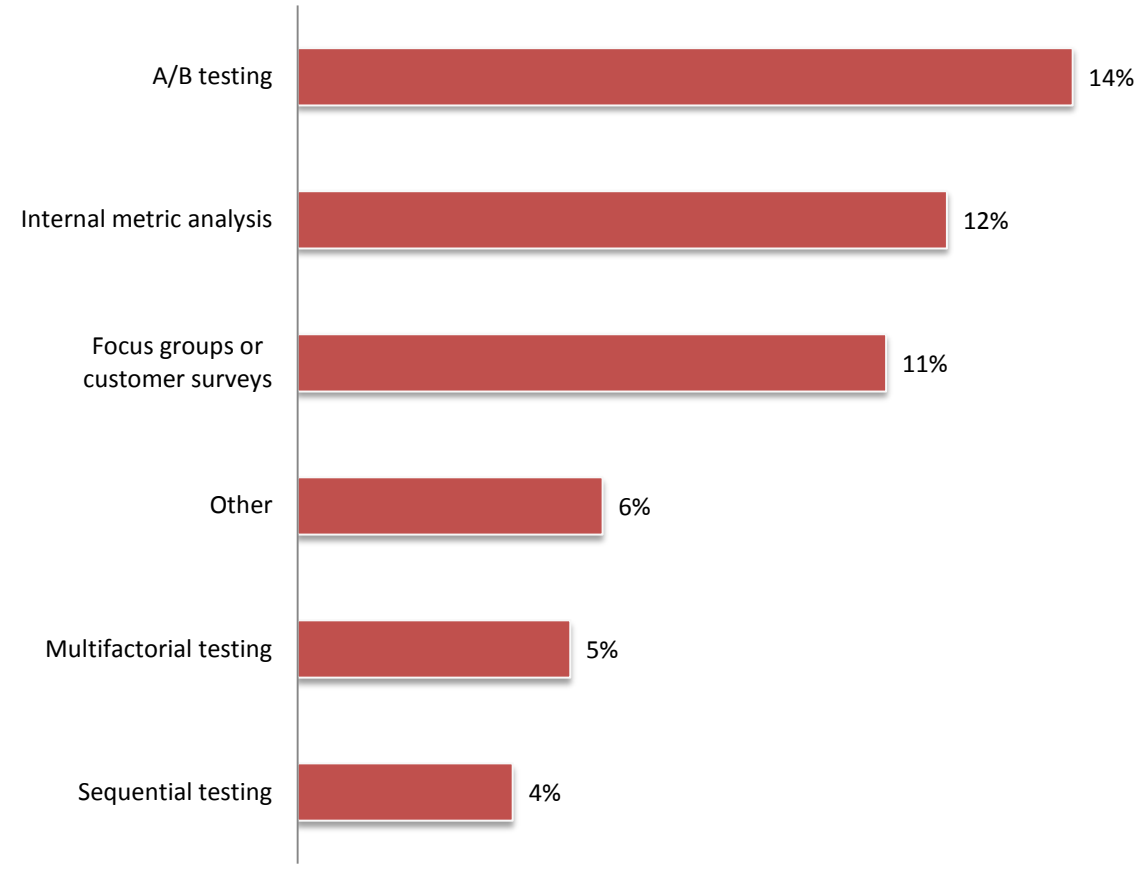
Because of the context value proposition provides on the company and its products, it is typically featured as the first item in a viewer's eye path. This is where a viewer first starts to visually scan their screen, usually under the company logo in a top corner of the page.

As such, **a poor value proposition can spell immediate damage to overall website conversion**. If the value proposition produces a negative first impression of your website, a visitor is unlikely to continue exploring your products or services. Instead, they will click the back button and be a bounce in your funnel.

For the 29% of marketers who test value proposition measurement, we wanted to learn more about their testing protocols, so we asked them how they vetted the organization's value proposition.

Chart 2.10: Predominant methods of testing value proposition

Q. How has your organization tested your value proposition(s)?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,490

Marketers advanced enough to establish value proposition assessment methods paid close attention to A/B testing and internal metric analytics, with 14% and 12% utilizing these methods, respectively.

Because a value proposition is both pivotal to marketing messaging, and also concise (a maximum of one or two sentences), some firms may find multifactorial and sequential testing overwhelming for this kind of online assessment. Marketers reflected this position, with very few reporting as having used these techniques.

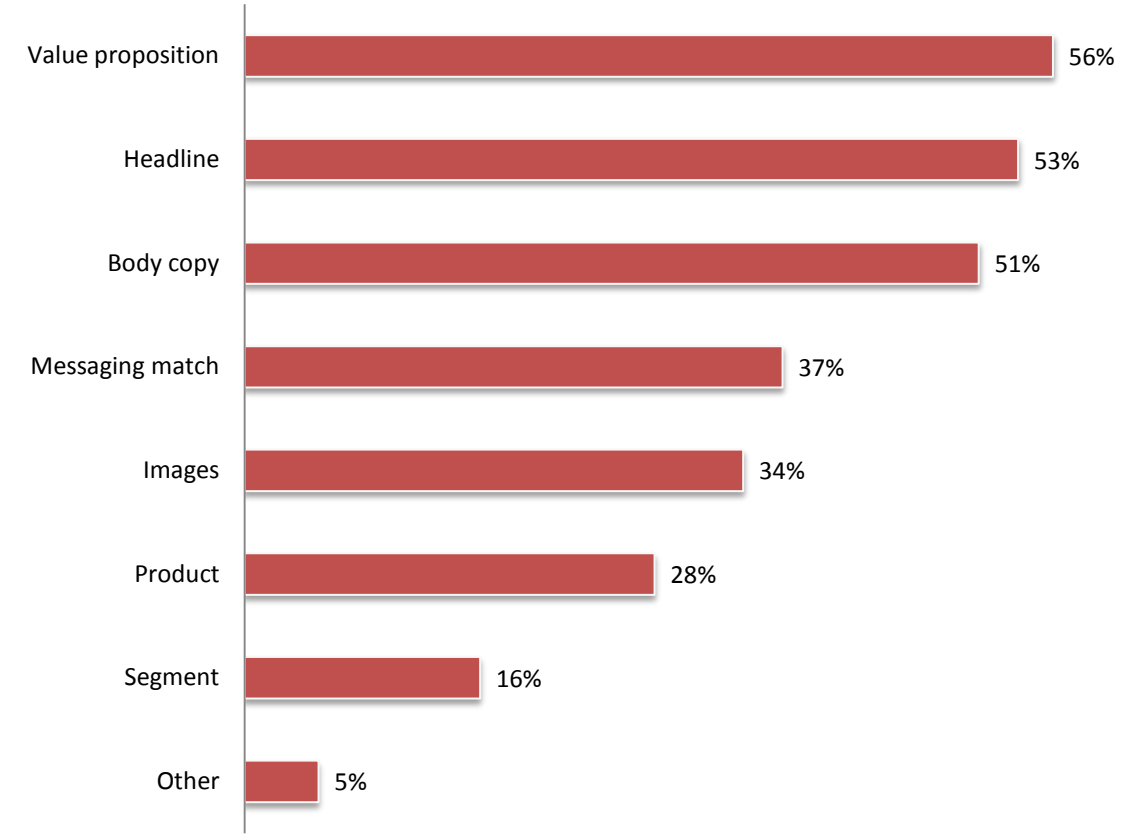
WHAT WEBSITE COMPONENTS DO MARKETERS OPTIMIZE?

For most traditional marketing efforts, effective messaging revolves around the development of an exceptional value proposition and engaging copy. However, **because a website is such an interactive visual medium, layout and Web design become critical factors in how your team's messages are conveyed**.

To launch this exploration, we looked to agencies, and their broad range of experiences in optimizing multiple campaigns in a variety of industries. We wanted to know if they had insight on how to allocate online resources, so we asked them which components of the website they optimized in 2011.

Chart 2.11: Components of agencies' optimization campaigns

Q. For Agencies: What components of your website did your organization focus on optimizing in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=630

More than 50% of agencies isolated the value proposition as critical to any effective optimization program. As we explored in the previous section, a company value proposition provides a pivotal building block, from

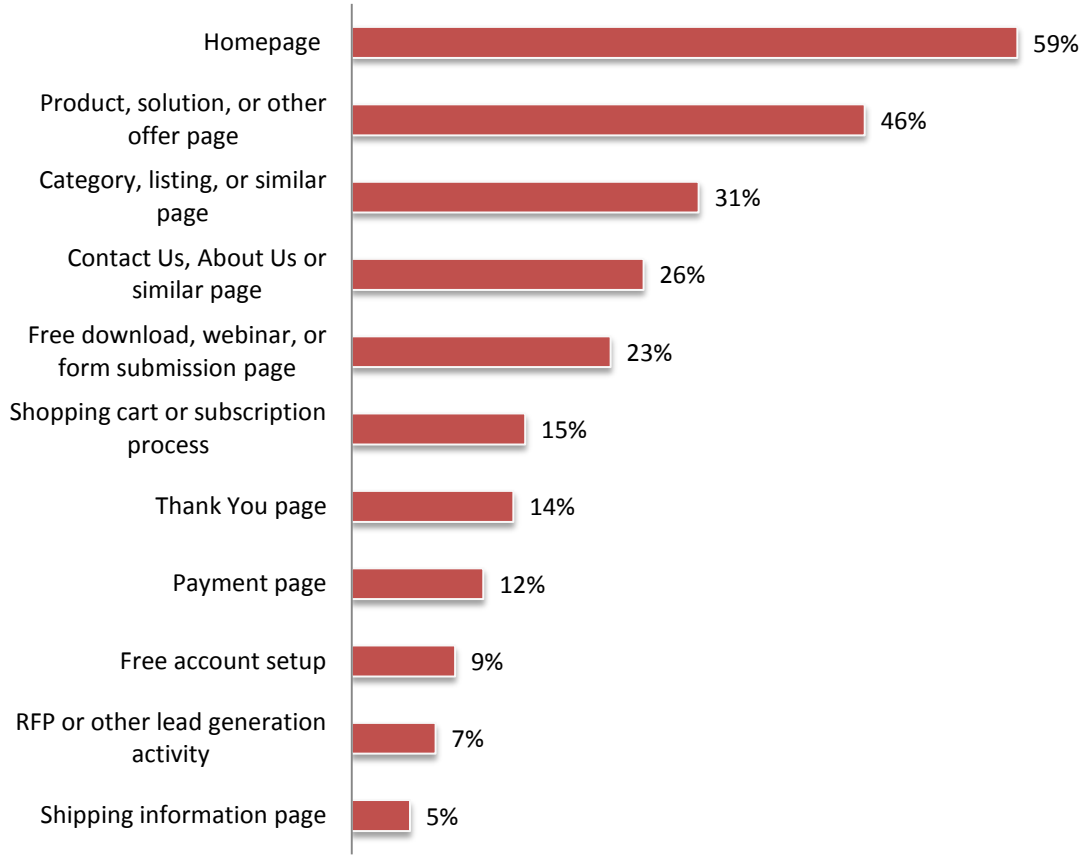
which successful online marketing expands. This statistic underscores the vital role value proposition testing plays for experienced optimizers.

To determine which messaging and page elements were most critical to in-house marketers, we began at the macro level, identifying how marketers approached the overall layout of their website conversion paths, and which page elements they found most effective in presenting their overall page design.

We asked them which optimization tactics they employed to inform website design to discover how marketing practitioners approach optimizing their overall site.

Chart 2.12: Most common pages and processes optimized in 2011

Q. Which of the following pages/processes did your organization work to optimize in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=751

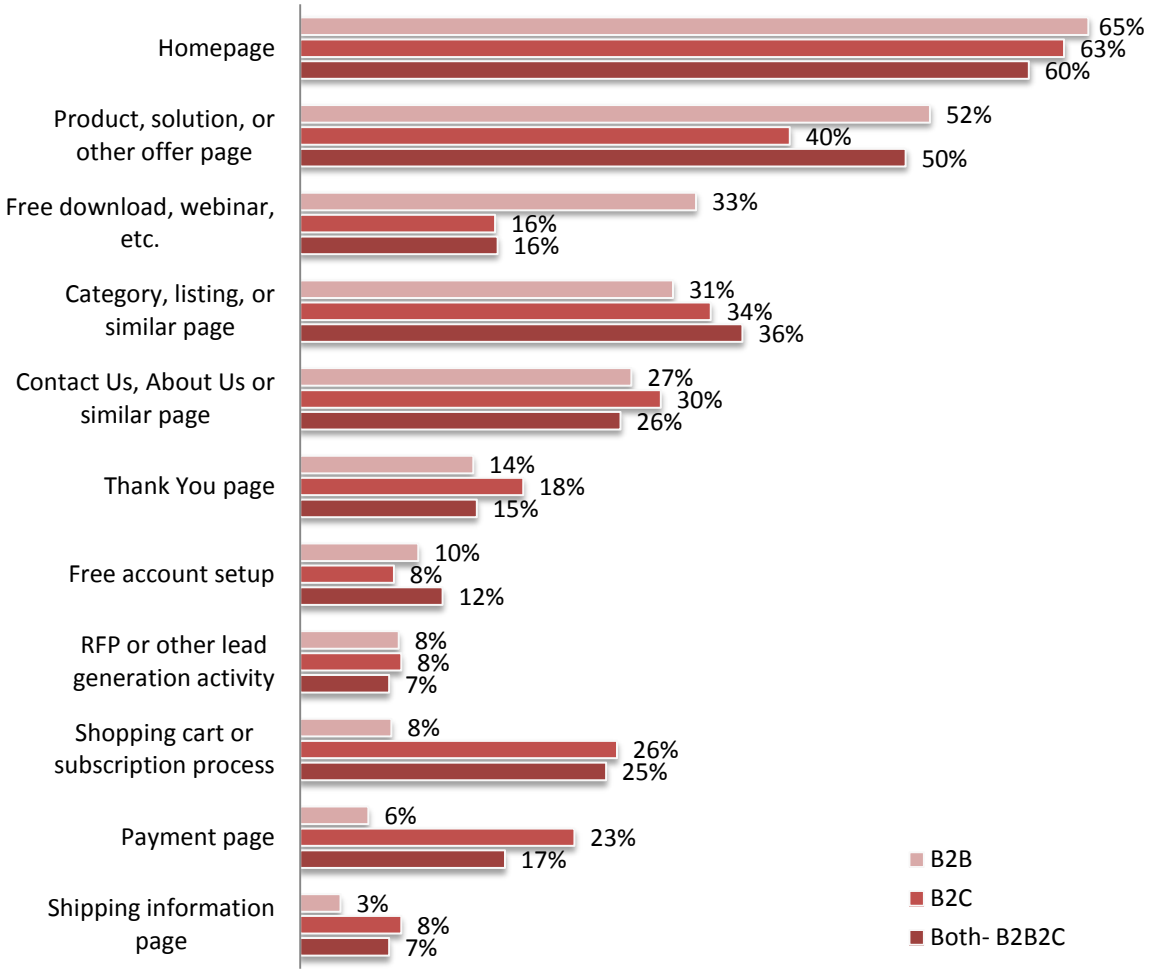
In 2011, the homepage and product offer pages dominated marketers' optimization efforts, with 59% and 46% of marketers allocating resources to these pages, respectively. Ancillary pages, such as download, shopping cart, and payment pages received just minimal attention, at 23%, 15% and 12% focused on them.

There are a number of reasons the homepage receives the most attention, ranging from complications with homepage layout, to the fact that some smaller companies only have a homepage, which is often designed to address multiple constituencies at once.

However, when looking at their funnels, **marketers should not forget to review their shopping cart and account pages**. You don't want to have a broken page lose a sale after your website has done all the hard work of convincing a prospect to buy from you. Correcting glaring errors or major friction in the final step of the sales process often produces quick, significant returns.

Chart 2.13: Most common pages and processes optimized in 2011, by channel

Q. Which of the following pages/processes did your organization work to optimize in 2011?



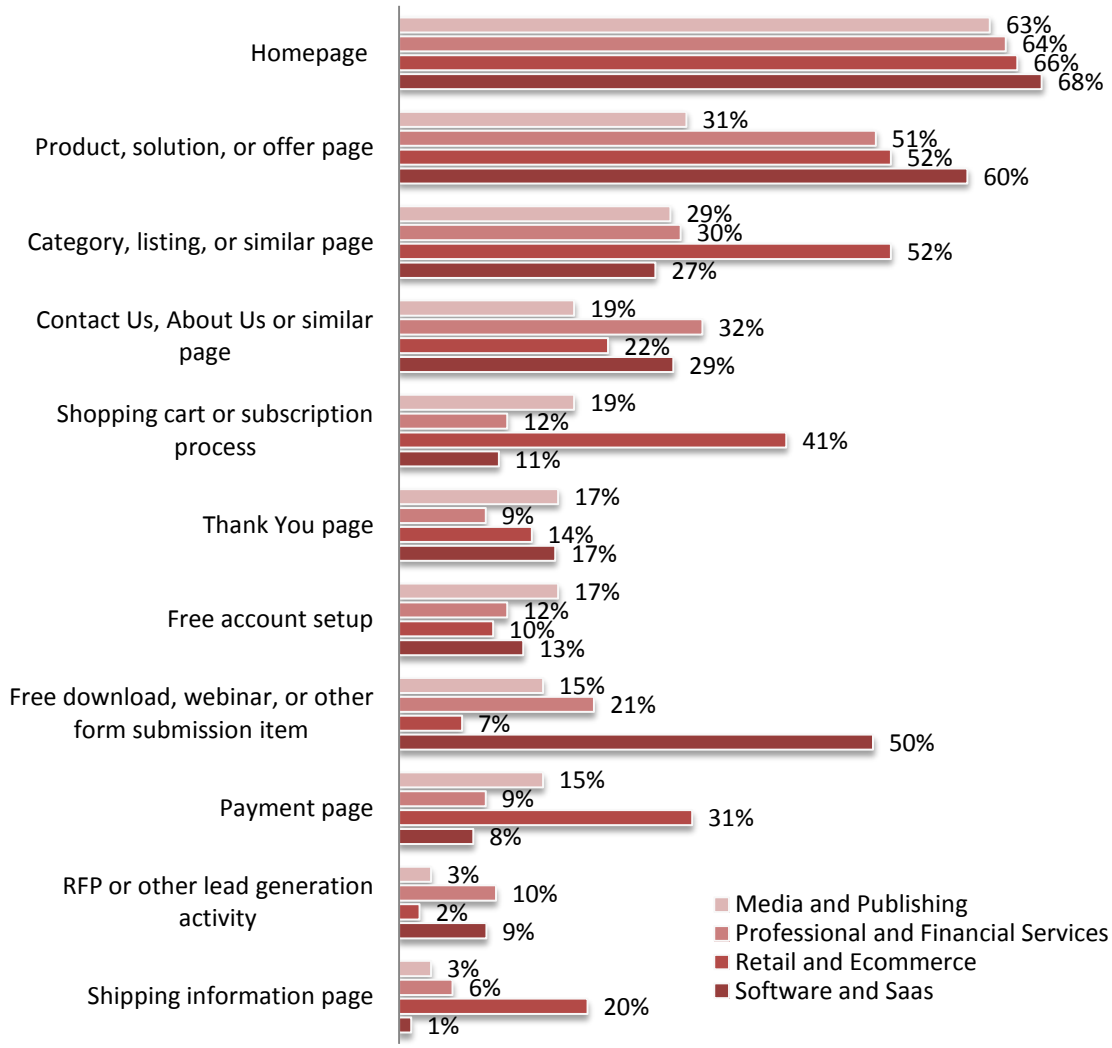
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 1,865

As depicted in the above chart, consumer-facing companies paid careful attention to checkout processes. While both B2C and B2B2C (marketers that have both end consumers and businesses as their customers) marketers were still twice as likely to optimize their homepages, they also dedicated resources to testing their shopping cart, at a rate of 26% and 25%, respectively – 225% more than B2B firms.

The following chart separates optimization's top pages and processes by industry. You see that 52% of retail and e-commerce firms addressed both their category listing pages and product and offer pages, while another 31% optimized their payment pages.

Chart 2.14: Most common pages and processes optimized in 2011, by industry

Q. Which of the following pages/processes did your organization work to optimize in 2011?



marketingsherpa Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,159

Alternatively, the software and SaaS business model meant that while 60% also paid attention to correcting errors in their product or offer page, they also dominated the field in optimizing the free download page, with half of software firms tackling this element.

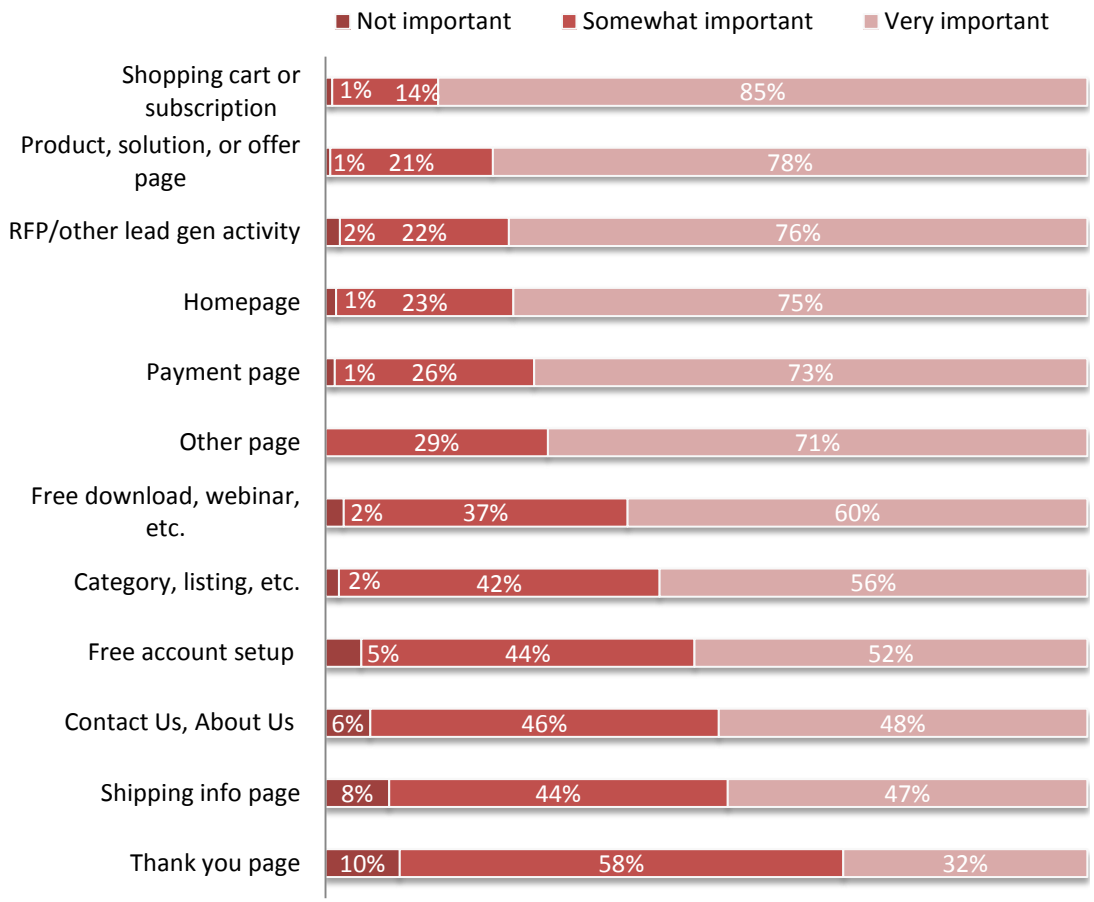
The "About Us" pages received very little overall attention by marketers last year, with 26% of overall marketers, and no more than 30% of any breakout, addressing this page. **While the "About Us" page is rarely a giant red flag, these pages provide context, which matters to some audience segments**.

Knowing which pages marketers choose to optimize is valuable. But when dealing with the C-suite, marketers ultimately need to address the ROI of their optimization decisions.

After establishing which pages in-house practitioners deemed most worthy of their optimization budgets, we needed to learn which of those elements actually delivered results. To identify which processes were most efficient, we asked marketers to rank the pages they optimized in 2011, by which were the most important to their overall online success.

Chart 2.15: Vital pages for website optimization results

Q. Of the pages/processes that your organization optimized in 2011, please rate the following in terms of importance:



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=749

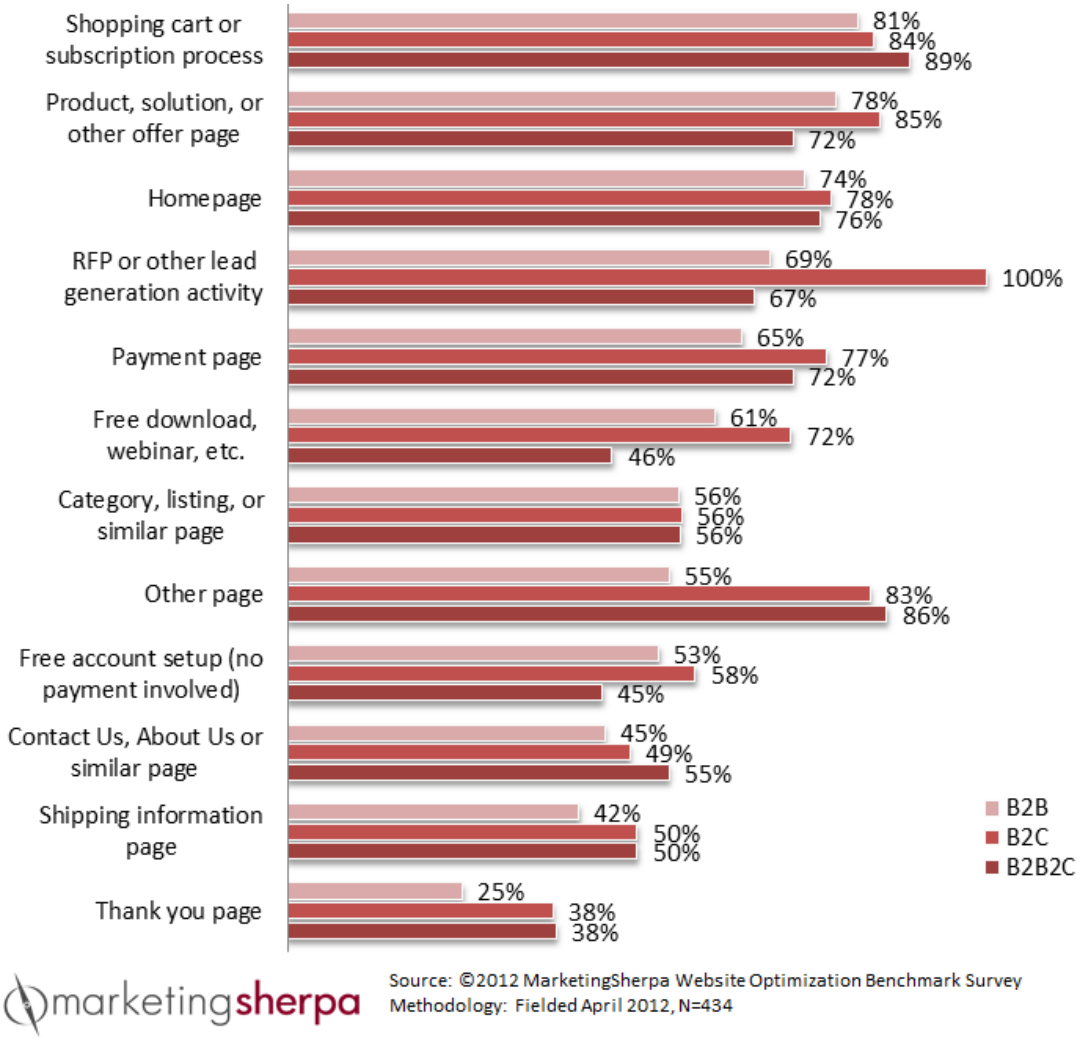
The results clearly show that fixing the shopping cart optimization offers a weighty advantage. For the 15% of marketers who correct this page, 99% considered this at least somewhat important. As discussed earlier, **there is nothing more costly for a firm's ROI than a page that inhibits a buyer at the point of conversion**.

Marketers also highly rated the product/solution pages, with 78% of practitioners rating this process "very important" to their success.

The product page is often the first place a prospect lands from a Google search or paid ad. They are a crucial component of the ultimate conversion path – displaying product details and purchasing information. Eliminating drop-off on these pages is a cost-effective strategy.

Chart 2.16: Vital pages for website optimization results, by channel

Q. Of the pages/processes that your organization optimized in 2011, please rate the following in terms of importance (breakout of those who chose VERY IMPORTANT):



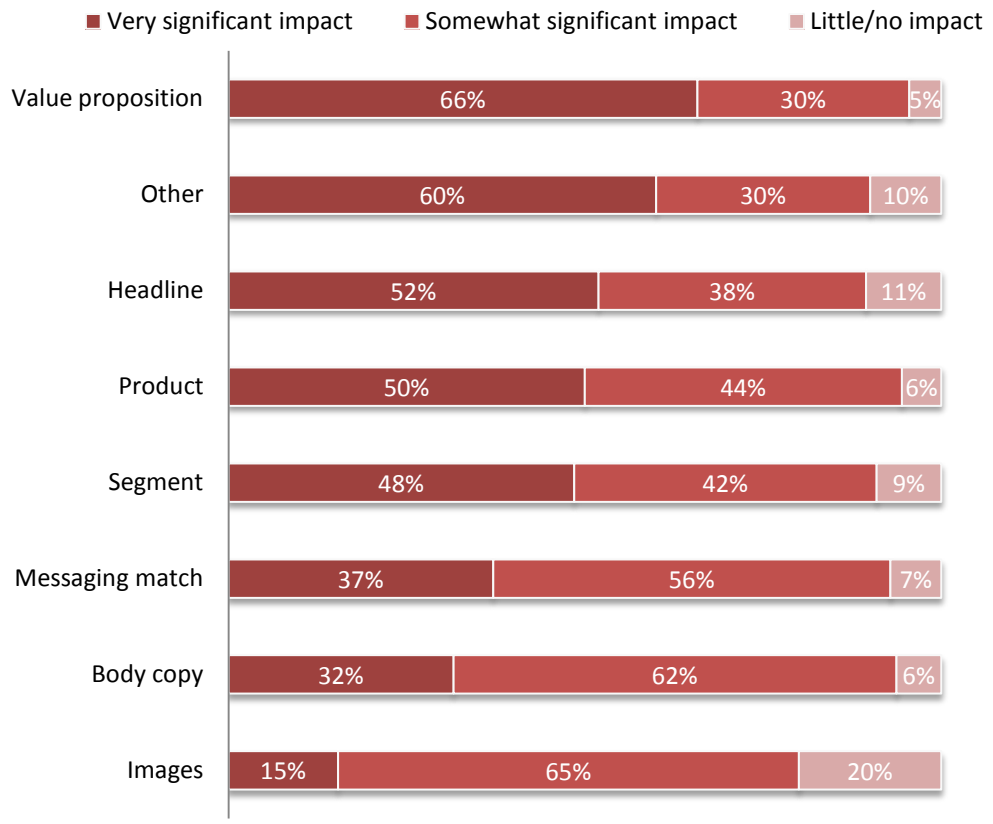
marketingsherpa

Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=434

To garner more insight on which optimization process marketers should consider imperative to optimization, we followed agencies' optimization efforts through their ultimate conversion goals. To identify which pages and processes agencies found the most productive, we inquired which had the most significant impact on overall revenue.

Chart 2.17: Website components with most dramatic impact on bottom-line results

Q. For Agencies: Of those components you selected above, which have the largest impact on the bottom line?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=620

Again, refining the company value proposition was a clear winner, with 66% of agencies who tested value propositions finding they delivered a very significant impact on overall website conversion.

Messaging match is another critical element that we expect to rise in implementation. While 37% of agency marketers focused on the continuity of their messaging throughout the entire website, **93% of agencies discovered that making sure the reader gets the same message on every page they click was a very successful tool** in continuing the company "story" through every step of the conversion path.

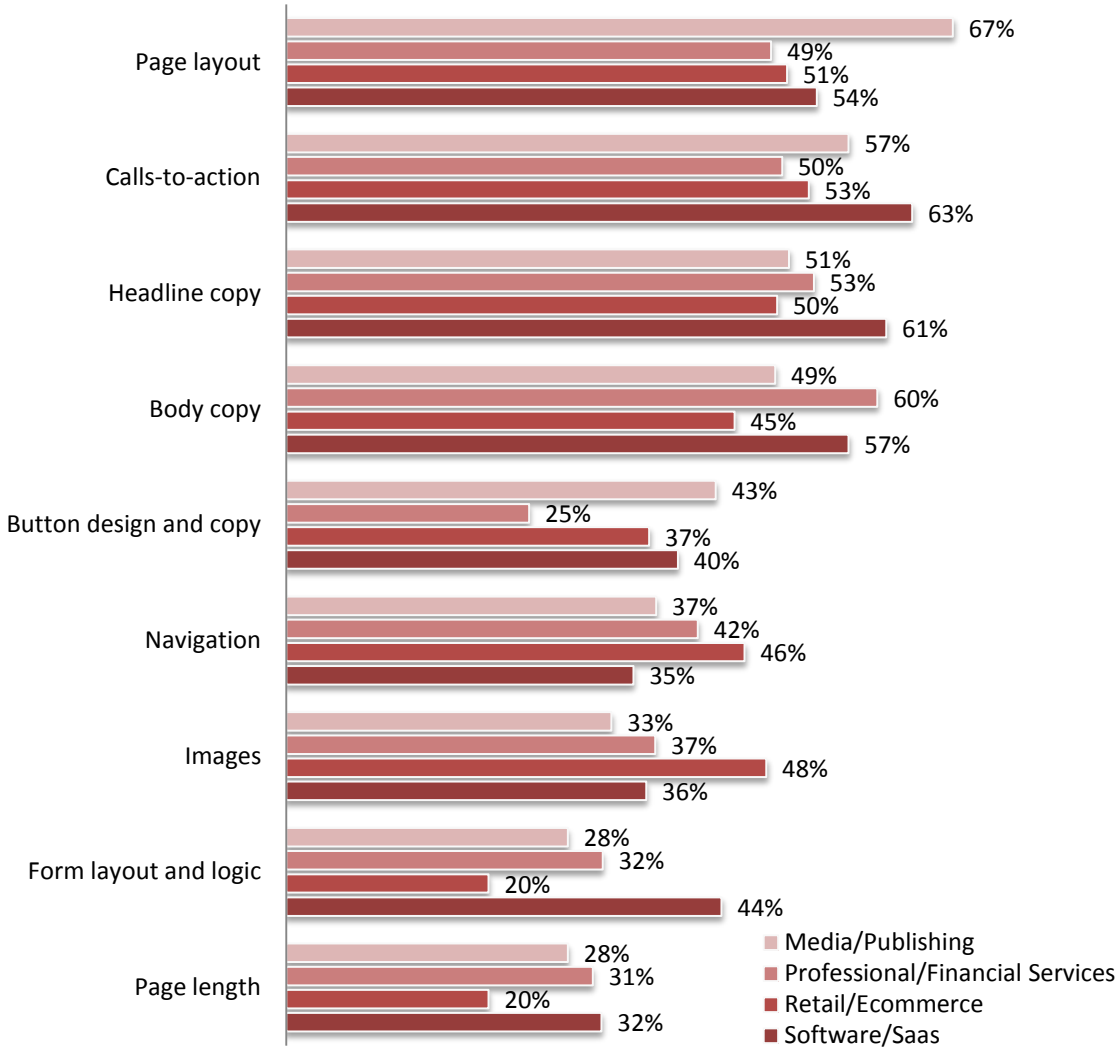
It is a very successful technique to develop an ad which leads into a landing page, and ultimately a shopping cart, all of which reflect the same language back to the reader.

WHICH PAGE ELEMENTS HAVE THE LARGEST IMPACT ON WEBSITE OPTIMIZATION?

We began looking at website design by asking marketers which page elements they focused on optimizing last year. The chart below details their results.

Chart 2.18: Critical page elements for optimizing webpages, by industry

Q. Which page elements did your organization focus on optimizing in 2011?



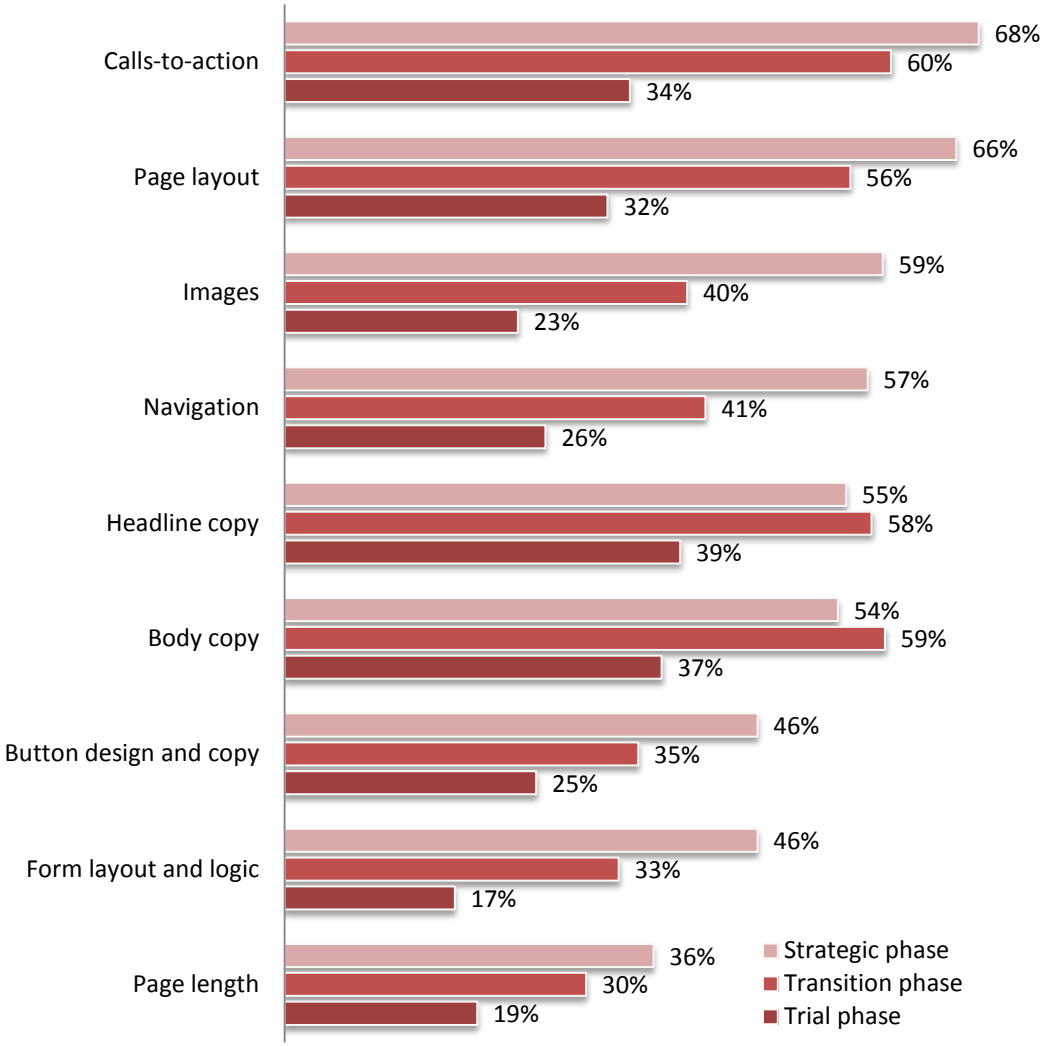
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 1,623

Page element optimization tactics varied significantly by industry. Spotlights for media/publishing firms included page layout (67%) and button design and copy (43%).

As the chart on the preceding page depicts, software/SaaS marketers centered more on calls-to-action, with 63% reporting optimizing these elements. Headline and body copy were also significant, with 61% and 57% looking to elevate these sections.

Chart 2.19: Critical page elements for optimizing webpages, by maturity level

Q. Which page elements did your organization focus on optimizing in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 2,050

The above chart displays the most significant page elements to optimize, as reported by maturity level. Of the more than 2,000 marketers who responded to this question, those who work in Strategic Phase companies dedicated significant resources to optimizing nearly every facet of their online experience.

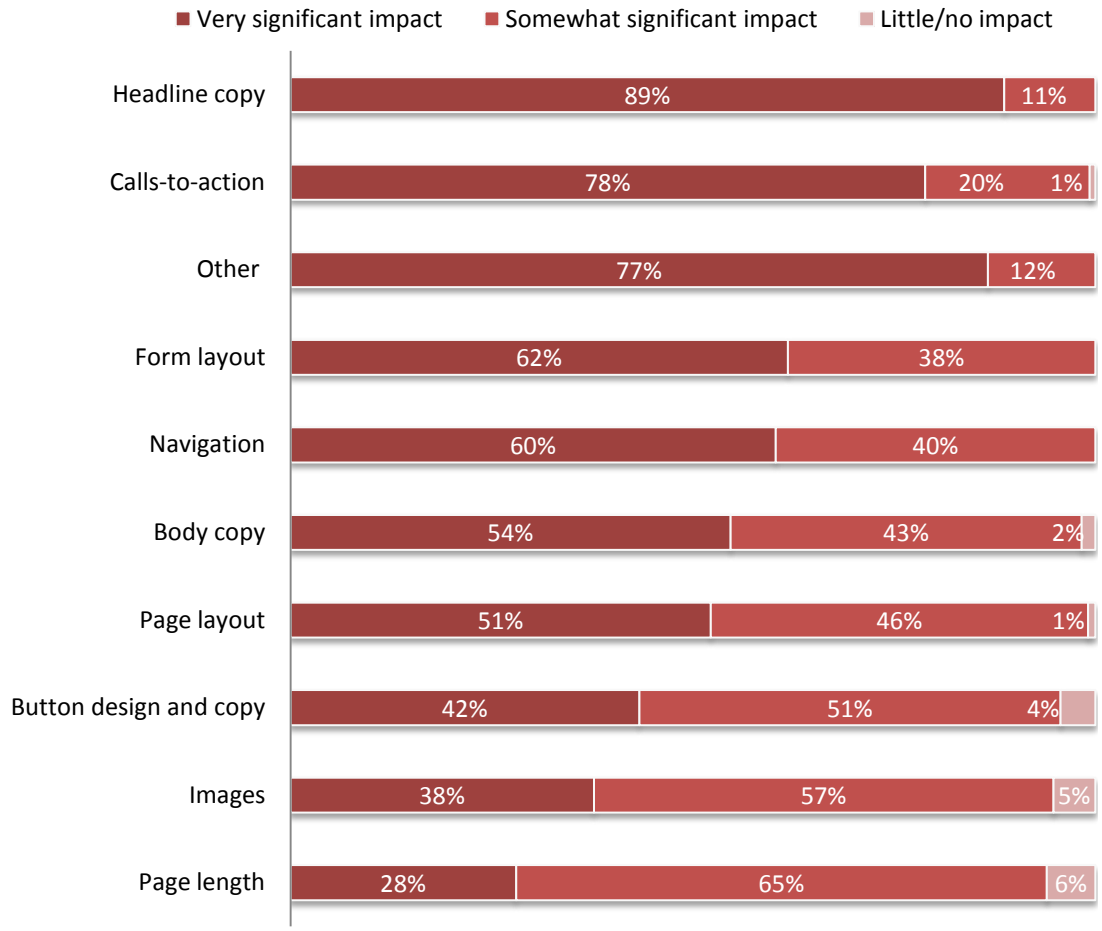
Notably, they were twice as likely to optimize calls-to-action, 106% more attentive to page layout, and optimized navigation at a rate of 119% more than Trial Phase companies. Underscoring their advanced lead generation techniques, 46% of Strategic firms also allotted budget for form layout and logic optimization.

Like most marketing practitioners, we want page element optimization to show us the money. After establishing which page elements received marketers' optimization resources last year, the next logical question was which of those page elements actually delivered bottom-line results.

To answer this question, we again turned to the diverse experiences of the marketing agencies, and asked how much impact each of the page elements they optimized had on overall website performance.

Chart 2.20: Page elements that impact overall site performance

Q. For Agencies: For each page element selected above, how much impact did website optimization have on your organization's overall website performance?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=890

Just as newspaper headlines are used to entice readers, agencies that optimized the "top of the fold" produced the best returns. We see 89% reported headline copy delivered results, and 78% noted that calls-to-action netted a very significant impact on the overall site performance.

Of note for B2B and other lead gen firms, 100% of agencies reported that optimizing form layout had at least *some* impact on site performance.

CHAPTER 3: DETERMINE THE RIGHT MEDIUM TO IMPLEMENT YOUR WEBSITE OPTIMIZATION CAMPAIGN

More than any other marketing strategy, website optimization is a multi-departmental effort. As we discussed in Chapter 1, we increasingly expect the website, as the hub of all marketing activity, to centralize online marketing.

According to *Chief Marketer*'s 2012 Interactive Marketing Survey, this trend is already reaching critical mass, with companies increasingly incorporating multiple marketing channels – including traditional online channels, new media and niche techniques – to improve brand awareness and overall conversions.

This means that all digital marketing campaigns, from email and social outreach, to inbound strategies and PPC, will ultimately funnel through the website. Smart marketers need to carefully consider how all these simultaneous tactics work together, and include them in a comprehensive optimization strategy.

In this chapter, we take a magnifying glass to all the "moving parts" encompassed by website optimization, and offer solutions to measure the ROI of online adjustments. We also look at the different strategies that marketers are successfully connecting in their optimization campaigns.

Specifically, Chapter 3 covers:

- How do marketers measure their website optimization campaigns?
- Do marketers understand their websites' conversion paths?
- What channels are touched by website optimization strategy?
- Are marketers incorporating Universal Lead Definitions into their funnel strategies?

HOW DO MARKETERS MEASURE THEIR WEBSITE OPTIMIZATION CAMPAIGNS?

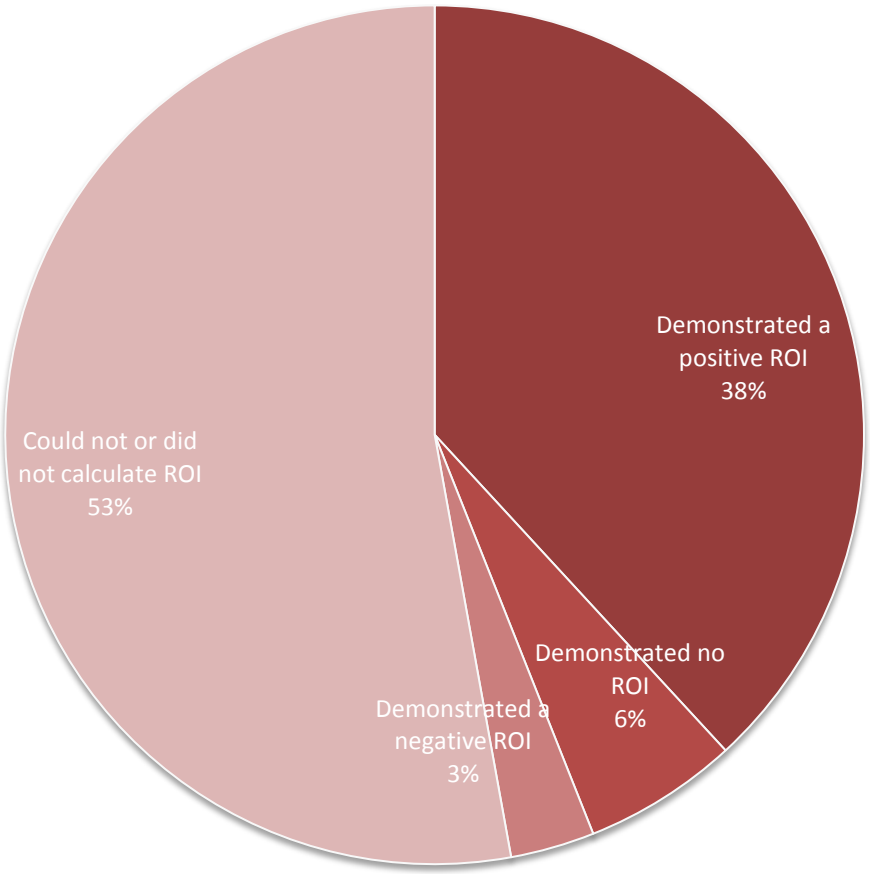
"To know values is to know the meaning of the market" - Charles Dow

Marketers' interest in optimization has grown dramatically over the past 10 years, largely because so many organizations have used testing strategies to produce impressive turnarounds, often boosting conversions and even ROI by hundreds of percentage points.

Still, an optimization program is only as good as the tools marketers use to measure results. We wanted to know how effectively marketers were wielding website optimization on their websites, so we asked if optimization and testing demonstrated ROI in 2011.

Chart 3.01: Calculation of website optimization ROI

Q. Did optimization or testing demonstrate ROI in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=789

The resulting chart is the most notable discovery of the 2012 Website Optimization Survey. A stunning 53% of marketers indicated that they could not (or did not) calculate the ROI of their website strategies.

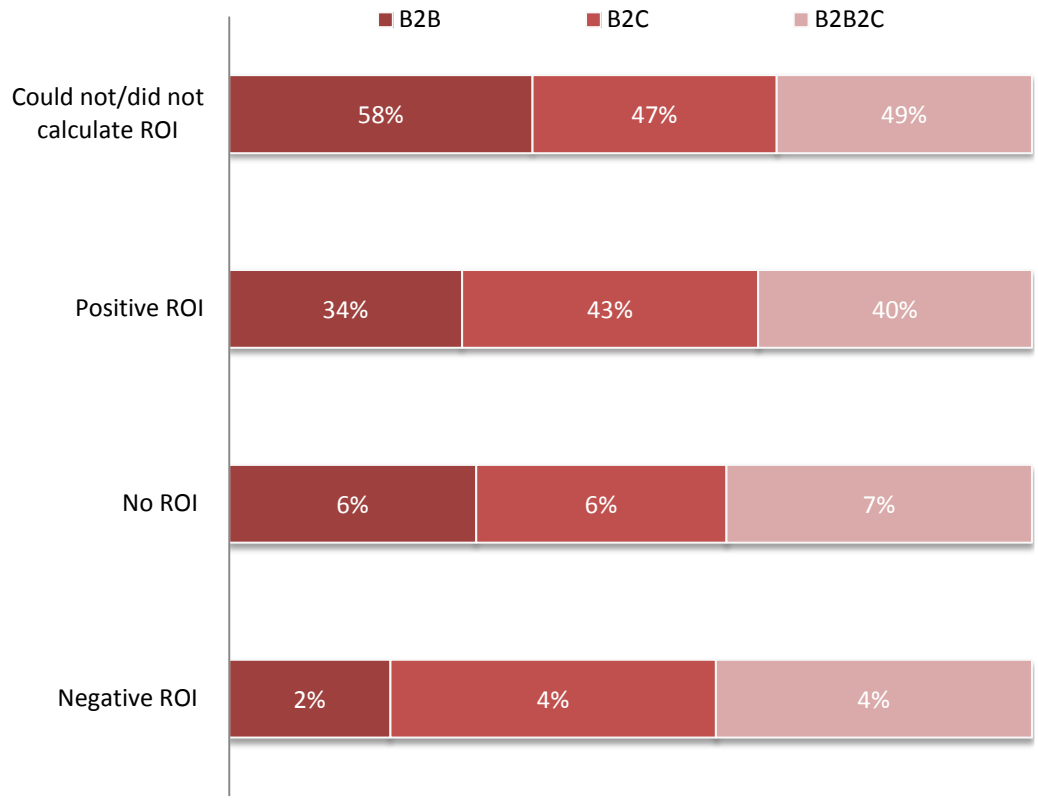
For marketers who track optimization ROI, the results are very favorable: 38% report a positive ROI, while only 3% report a negative ROI. Clearly, for those who track ROI, optimization has a positive effect on their online efforts, and ultimately the company balance sheet.

As noted earlier, the website accounts for 25% of all marketing spending; **failing to measure your optimization efforts means that marketers have no idea whether or not their budget dollars are working**.

A variety of challenges can contribute to a lack of ROI tracking, from managing multiple constituencies, to the sheer volume of data available online, all of which can bury marketers under a pile of numbers from which they cannot yet glean lessons.

Chart 3.02: Calculation of website optimization ROI, by channel

Q. Did optimization or testing demonstrate ROI in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=776

The news does not improve when you look at the data broken out by sector. Perhaps because of a greater dedication to testing, **B2C firms were 26% more likely to experience positive ROI than B2B companies**. B2B marketers also struggled with ROI tracking, with 58% of them failing to calculate any results at all.

Trial Phase marketers faced the most dramatic struggles evaluating optimization efforts. A notable 72% of marketers who lacked consistent testing protocols failed to measure the ROI of their investments.

The good news is that clear protocols and testing strategy was the key differentiator in successfully identifying testing returns. 67% of Strategic Phase companies reported positive ROI, 76% and 219% more than Transition Phase and Trial Phase companies, respectively.

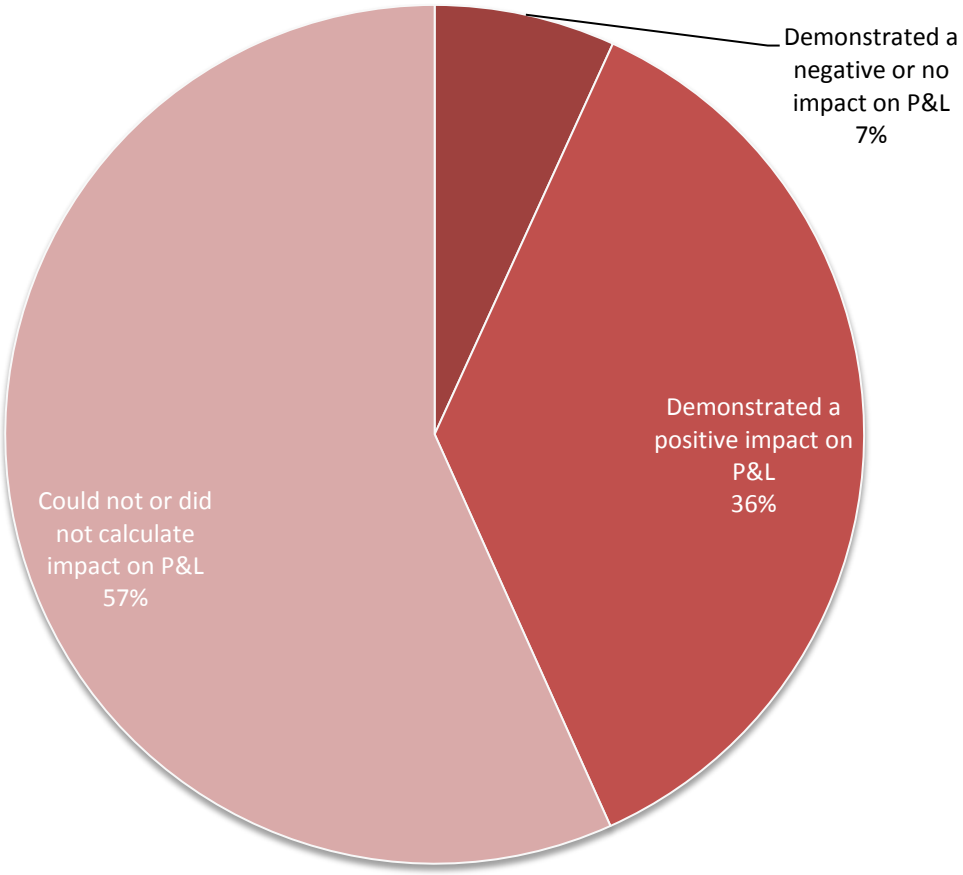
Between implementing iterative testing cycles, and hiring agencies and/or Web developers, website optimization can be a relatively expensive endeavor. As a result, successful optimization programs typically require C-suite sponsorship.

When pushing for budget, digital marketers often make the mistake of measuring optimization's success in terms of clickthroughs or impressions. **To prove return to the executive team, marketers need to speak the right language, using hard numbers that reflect profit, overall sales and customer lifetime value**.

Digging a little deeper, we also wanted to explore how effectively marketers were evaluating optimization success using metrics that matter to their CFO, so we asked if optimization and testing demonstrated an impact on their organizations' P&L last year.

Chart 3.03: Website optimization's connection with corporate P&L

Q. Did optimization or testing demonstrate an impact on your organization's P&L in 2011?



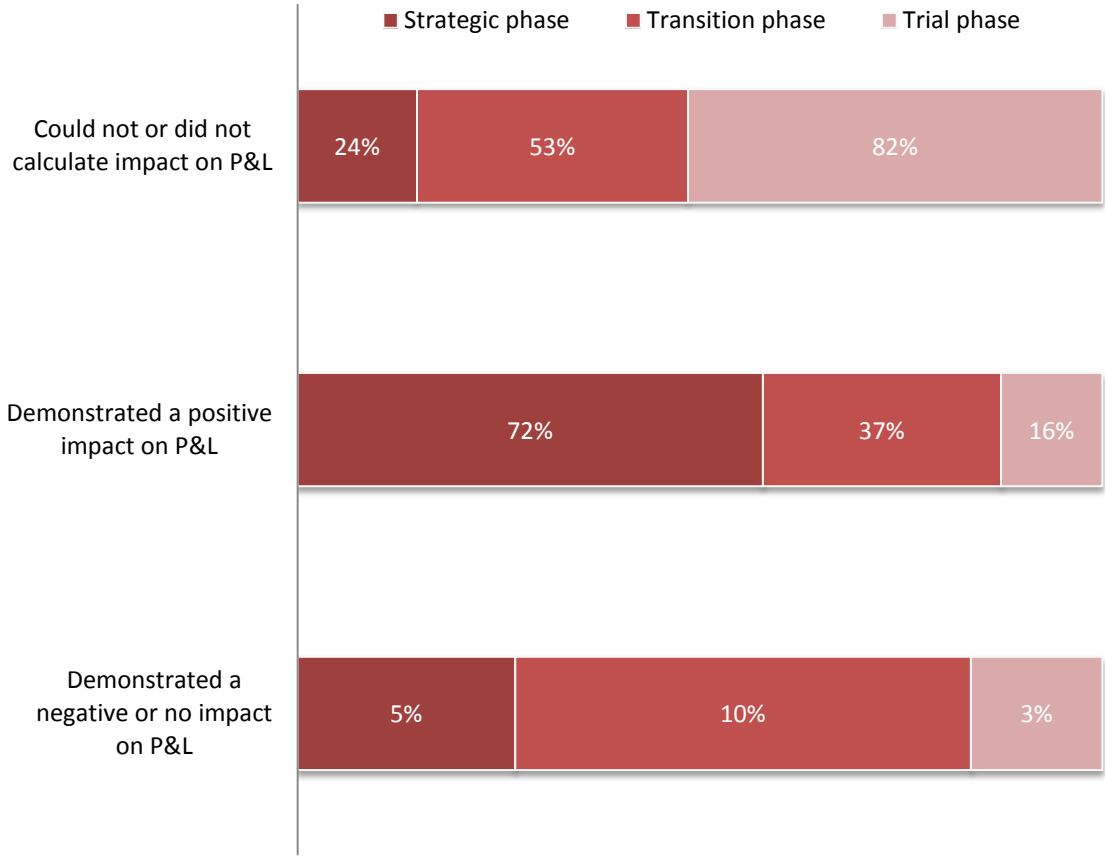
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=499

The results in the chart above show a negative trend for marketers' success in tracking website optimization ROI. While optimization programs were 400 times more likely to show positive P&L, when trying to identify if testing influenced their firm's overall P&L, 57% of marketers did not – or could not – calculate this data.

Echoing the success that Strategic firms produced tracking ROI, 72% of Strategic Phase companies reported that website optimization boosted company P&L – 350% more than Trial Phase marketers. Trial companies struggled again, with 82% unsuccessfully connecting optimization to profit.

Chart 3.04: Website optimization's connection with corporate P&L, by maturity level

Q. Did optimization or testing demonstrate an impact on your organization's P&L in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=490

Companies spend literally hundreds of thousands of dollars each year designing and testing their Web experiences. **Website optimization is a powerful tool that can shift how marketers approach relationships with their online audience**. Strategic firms show that when done well, optimization delivers powerful results. With these tools, marketers can track and test every element of their webpages – and how those elements build off one another – to create relevant, holistic experiences for their online audience.

They can't do any of the above if they don't measure whether or not they are working. Data is the key, and the 2012 Website Optimization Survey clearly shows that marketers need to do a much better job of understanding their analytics, and connecting them to hard revenue numbers.

WHAT HARD METRICS DO MARKETERS USE TO TRACK WEBSITE OPTIMIZATION PERFORMANCE?

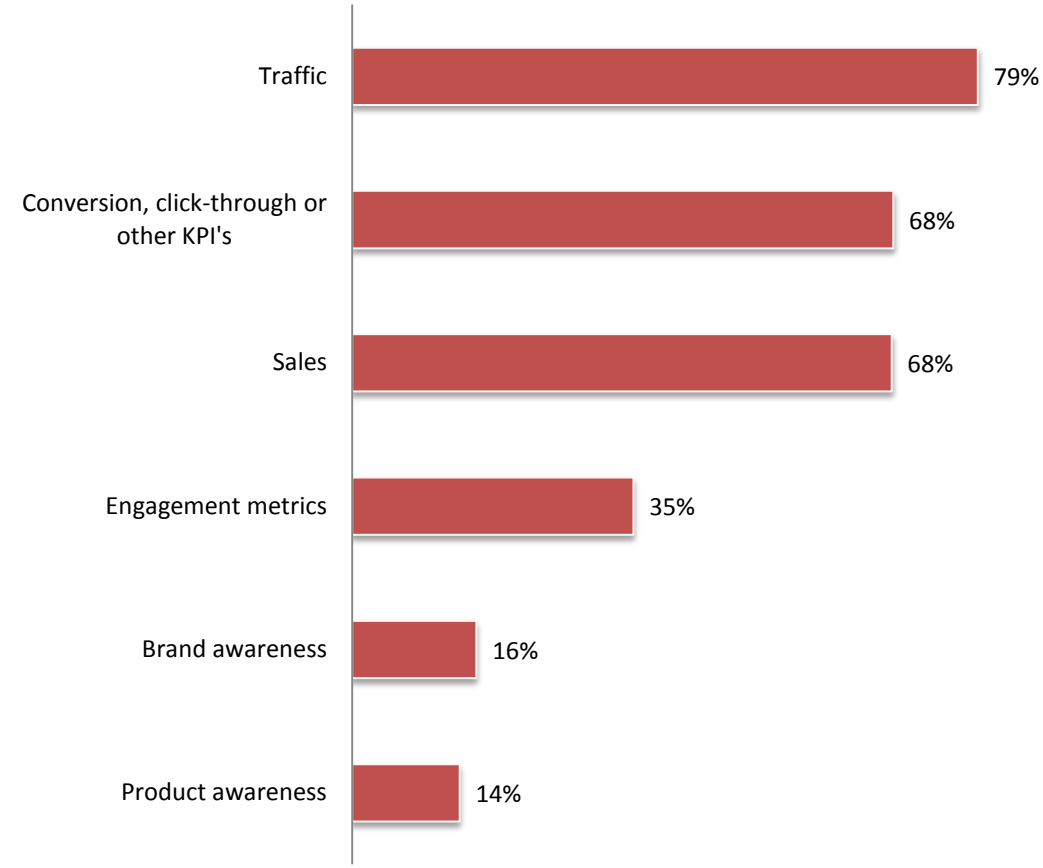
As the hub of all marketing efforts, all of your other online activities – including PPC and SEO, as well as any content marketing or LPO initiatives – all circle back to the success and efficiency of your website.

But, how are you measuring the success of your webpages? Where is your funnel? If you don't know, how are you going to justify your budget next year?

If marketers had not yet perfected ROI calculations, we wanted to know which data marketers *did* use to measure their campaigns' effectiveness. We asked them which objectives are tracked by their departments.

Chart 3.05: Popular optimization objectives

Q. Which of the following website objectives is tracked by your marketing department?



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Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 1,814

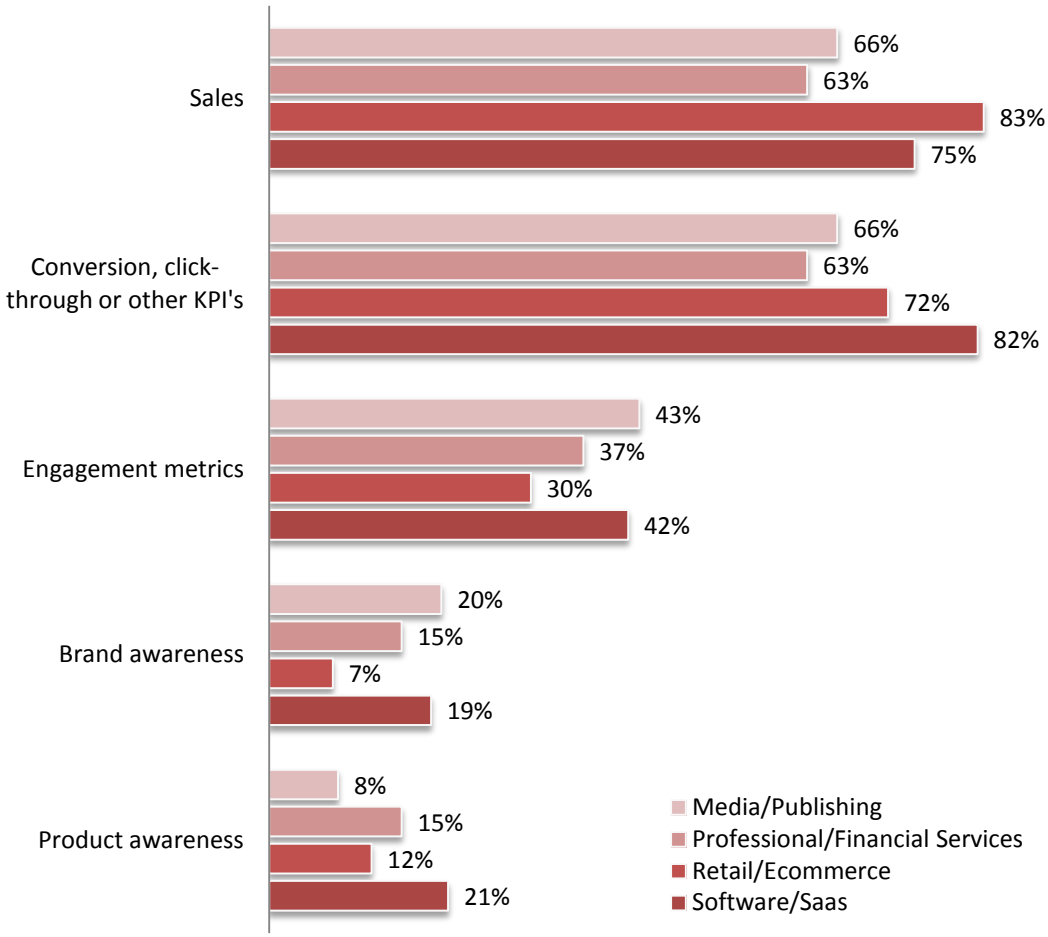
One potential issue expressed in the above chart is that traffic is the most-frequently tracked website metric, with 79% of marketers measuring this statistic. While traffic is a contributing factor for the ultimate ROI of your website, there is no direct link between the amount of people who visit your site and your ultimate optimization ROI.

Beyond traffic, 68% of marketers are also focused on "harder" data points, including conversion KPIs and sales. As you would expect, business models are a major determinant in predicting KPI tracking. Seen in the chart below, **83% of e-commerce companies confirmed sales was their most crucial data point**, while 82% of software/SaaS businesses tracked conversion or clickthrough rate.

Core business considerations also affected which metrics marketers considered most crucial, by channel. 29% of B2B companies saw conversion as their most critical metric, while 28% of B2C firms scrutinized sales numbers.

Chart 3.06: Popular optimization objectives, by industry

Q. Which of the following website objectives is tracked by your marketing department?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,261

When separated by maturity level, both conversion and clickthrough rates topped metric tracking for Strategic and Transition companies, who looked to these at a rate of 29% and 30%, respectively. Trial firms evenly split their top three priorities, with traffic, conversion and sales all clearing 28% of the population.

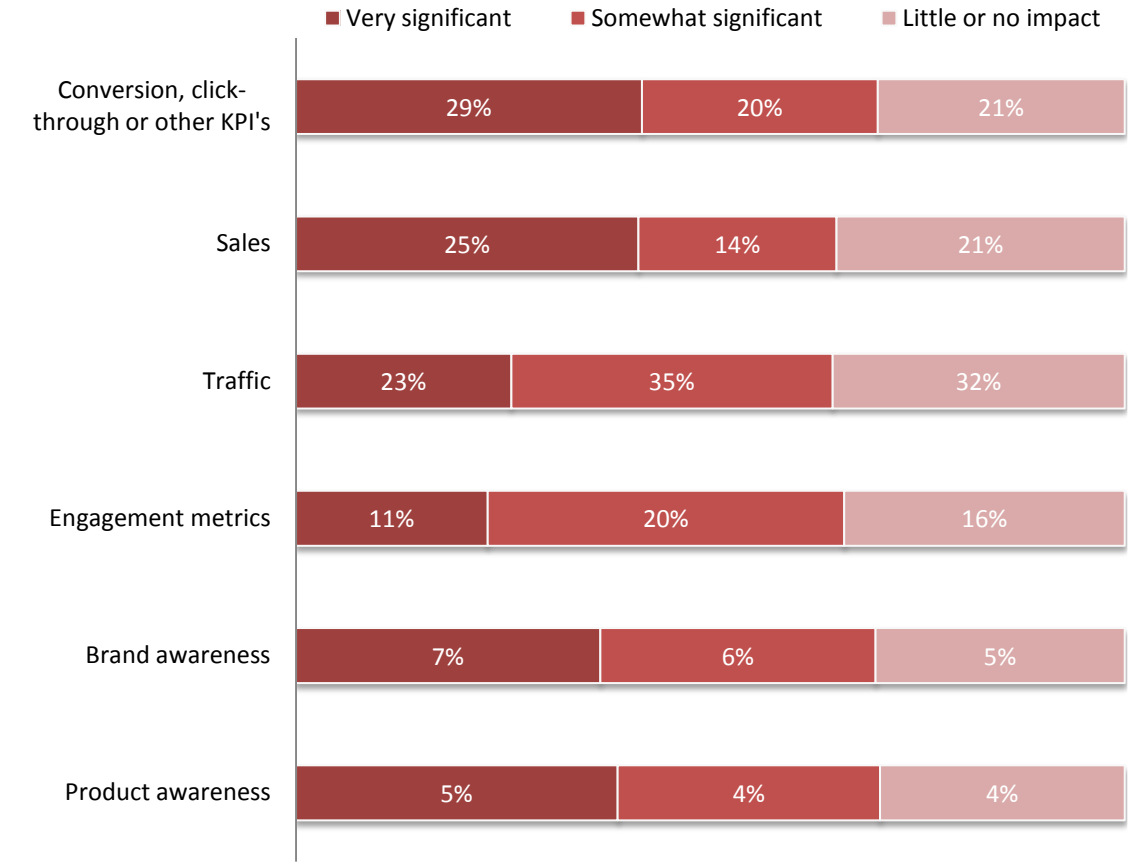
KPIs are only as useful as the marketer who understands them. You need to **evaluate what measurements are most vital to your organization; your website analytics tracking informs these metrics**. The challenge lies in understanding how interrelated these metrics are, and gaining a comprehensive picture of how the website really performs for your business model.

For example, a company with high-volume business, average order value might be the most relevant metric, particularly if experimenting with an up-sell, or cross-sell functionality. One with a lower volume, but higher cost product, might consider the lifetime value of a customer or total sales.

To identify what data marketers found most useful to predict overall site performance, we asked which objectives were the key to determining overall site performance.

Chart 3.07: Marketers' most important website optimization objectives

Q. For each website optimization objectives selected above, how much impact did website optimization have on your organization's overall website performance?



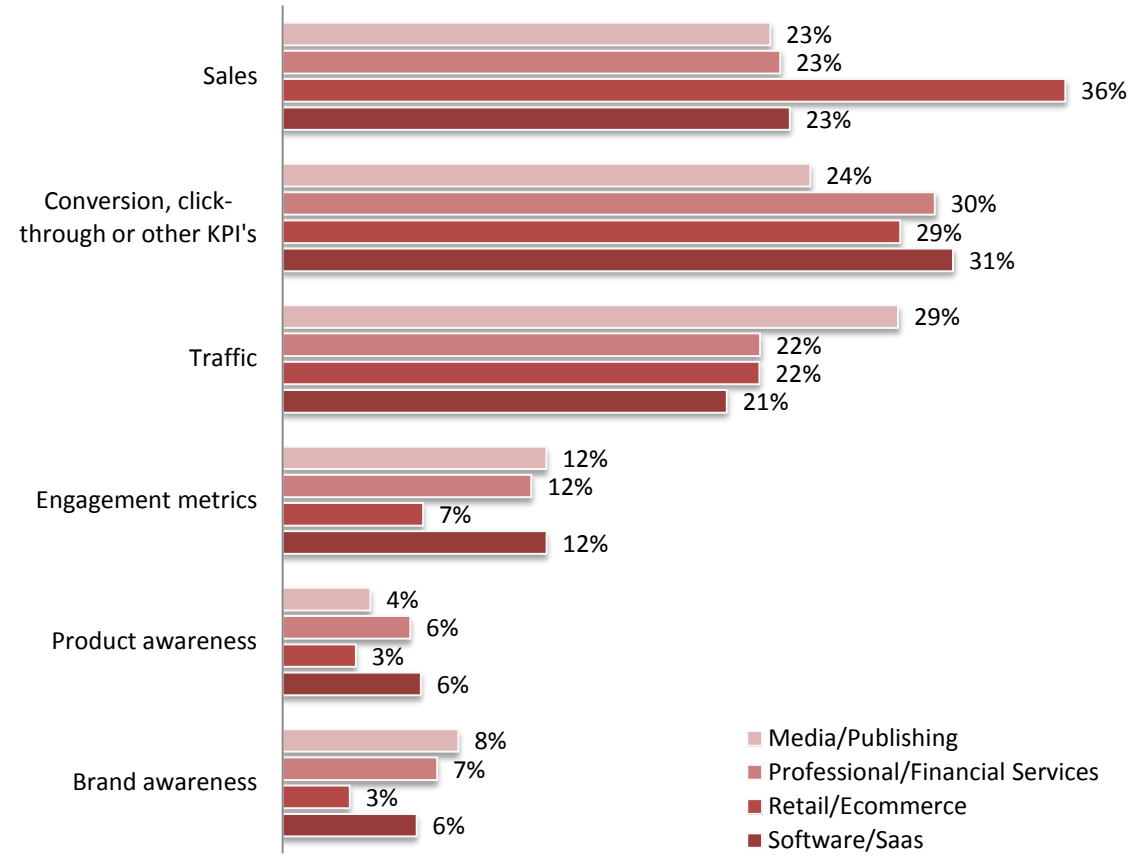
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 2,583

In the above chart, the top three objectives marketers rated "very significant," again, are conversion (29%), sales (25%) and traffic (23%), with engagement, brand and product awareness lagging behind. However, when combining the data in terms of "somewhat significant," these metrics reverse, with traffic leading at 58%, followed by 49% of firms tracking conversion, and 39% tallying sales.

By channel, only 12% of B2B and 11% of B2B2C companies considered engagement metrics, such as time on page, as "very important." Product awareness and brand awareness did not exceed 10% for any channel. Keeping with the trend that explicitly transactional data provided more insight for direct-to-consumer companies, 28% of B2C marketers found sales figures the most impactful to overall site results.

Chart 3.08: Marketers' most important website optimization objectives, by industry

Q. For each website optimization objectives selected above, how much impact did website optimization have on your organization's overall website performance?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 1,459

Sales was certainly the most crucial data point for retail companies, as 56% of e-commerce marketers replied that sales were most vital to their organization, more than any other industry.

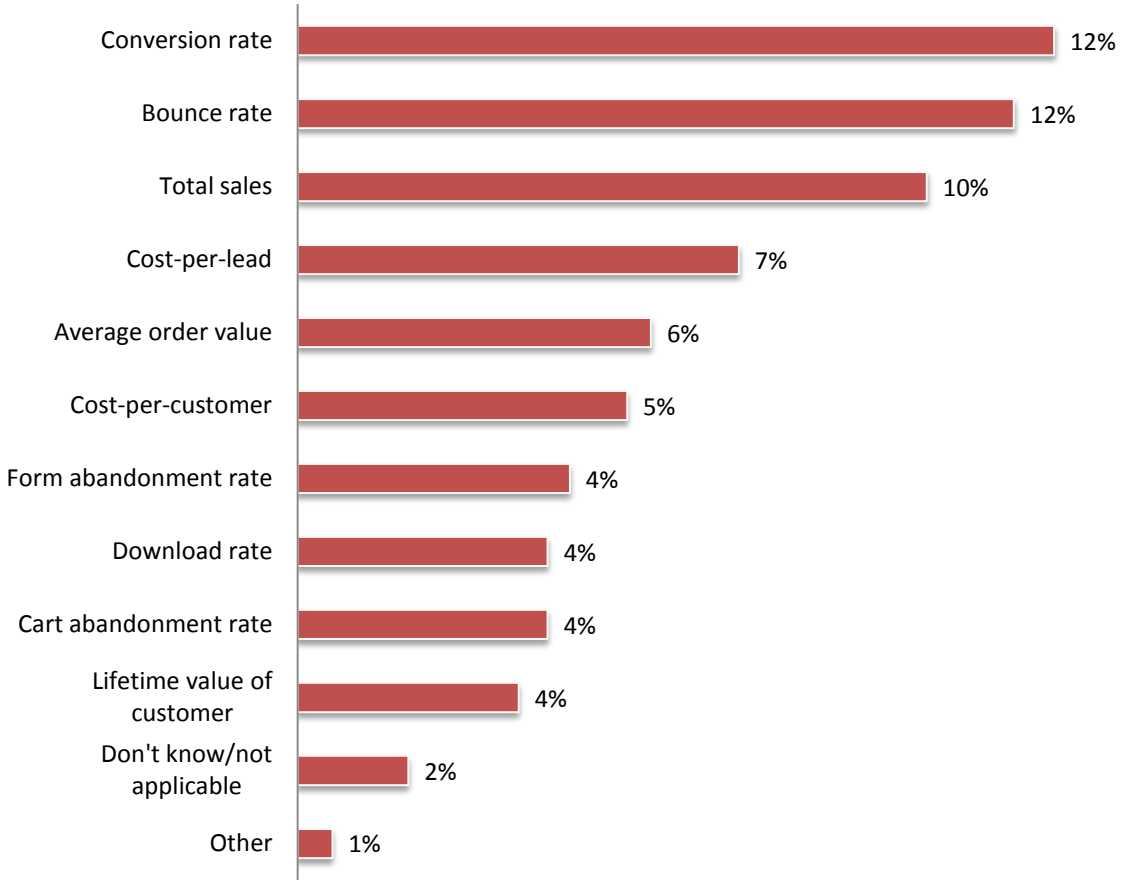
Looking at this data, remember that **it's not only *which* statistics marketers consider important that matters, but also *how* these metrics work together to produce a comprehensive perspective on website functionality**. Brand awareness alone may not play a huge role in predicting overall site performance, but, when coupled with sales or conversion figures, it may paint a compelling picture on how to improve their site.

Website optimization appeals to data-driven marketers because the rich information analytics and testing reveal about a website. Careful analysis of key data provides insight on which landing pages are delivering the most traffic, revenue and overall sales, and which produce a click of the back button.

We wanted to delve a little deeper into specific site analytics, to learn which metrics are most crucial to inform marketers' website programs, we asked them which common KPIs their organization commonly tracked.

Chart 3.09: Website optimization Key Performance Indicators (KPIs)

Q. Which of the following website optimization Key Performance Indicators (KPIs) does your organization track?



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Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2,086

On both micro and macro levels, **conversion rate and total sales lead popular site objectives**. These more-specific metrics also ranked among the top three KPI data points. Bounce rate also prominently features in marketers' KPI tracking, with 12% of all marketers considering how many people immediately leave their site an important data point.

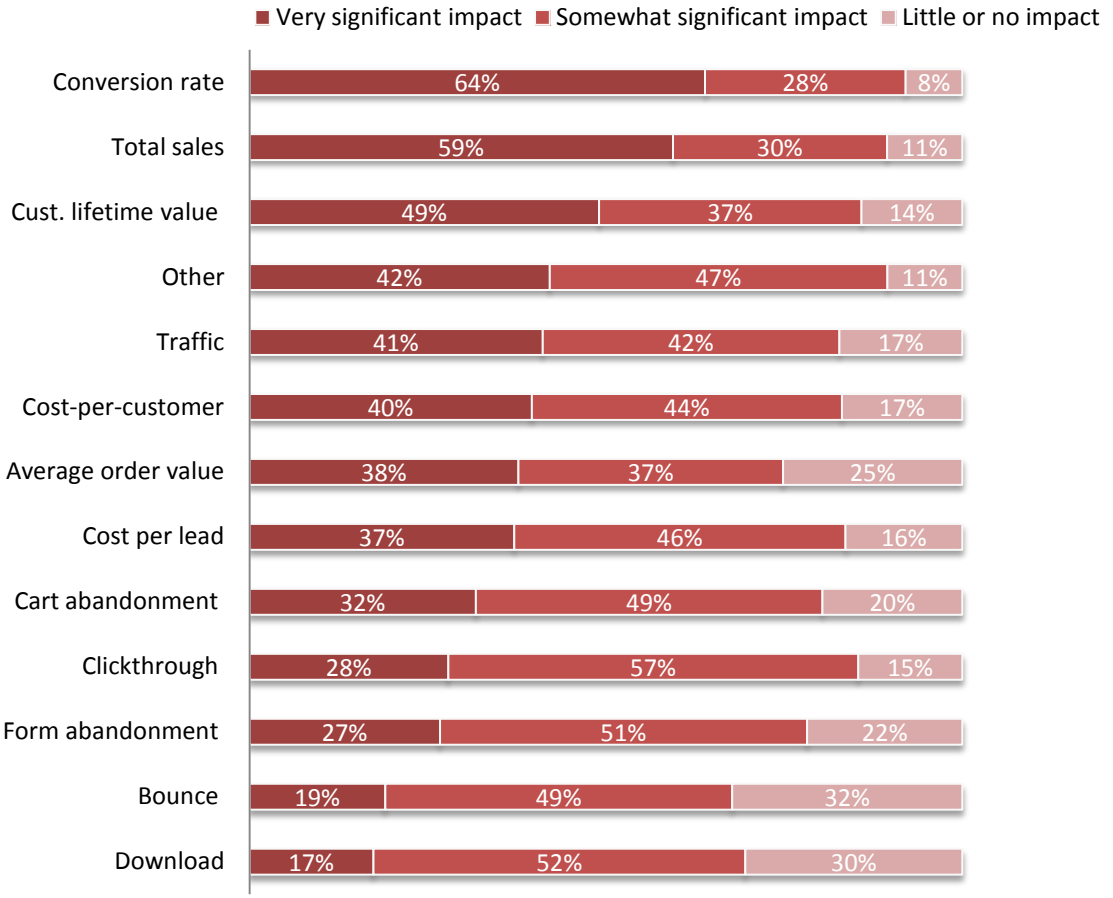
Multiple rounds of testing enhances this insight by teaching marketers what site tweaks definitively improve site performance, and which miss the mark. Still, even "losing" tests generate lessons that can inform future site upgrades.

As marketers, we know the sheer volume of data available online acts as both a blessing and a curse. Website optimization pulls out a myriad of "what" from your audience's viewing habits. It is then up to the marketer to take this information and determine the "how" and "why" for your individual business. And, as most busy marketers know, finding logical next steps is no easy task.

Beyond knowing which specific metrics marketers are tracking, we can glean vital insight by identifying any significant KPIs that will allow marketers to pinpoint website fixes that will drive real change. To learn more, we asked marketers which metrics they considered most important to their bottom lines.

Chart 3.10: Key Performance Indicator impact on bottom-line results

Q. Of the KPIs your organization tracks, which had the most significant impact on the bottom line?



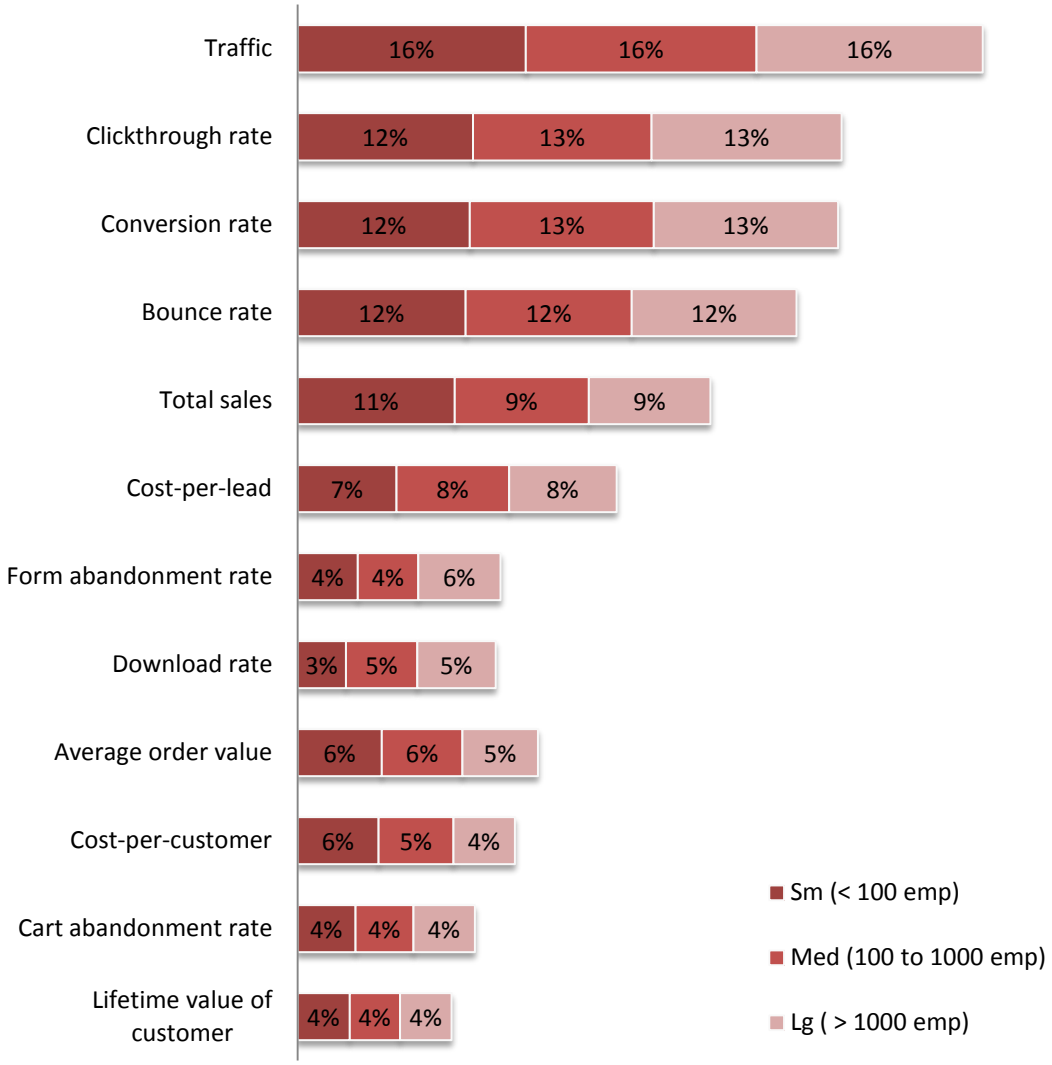
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=639

Just like broader metric tracking, conversion rate, total sales and traffic ranked in the top five overall KPIs, with 64%, 59% and 41%, respectively, rating these as having a "very significant" impact on their bottom line. Slightly more revenue-based factors, including customer lifetime value (49%), cost-per-customer (40%), and average order value (38%) were also rated as pivotal to overall page success.

Despite the upfront costs associated with some analytic tracking programs, particularly in-house solutions, company size did not seem to be a major determinant in KPI tracking or impact. In fact, **the top four objectives ranked by company – traffic, clickthrough, conversion and bounce rate – only varied by 1% point, at most**, at 16%, 13%/12%, 13/12% and 12% for large, medium and small companies.

Chart 3.11: Marketers' most important website optimization objectives, by maturity level

Q. For each website optimization objectives selected above, how much impact did website optimization have on your organization's overall website performance?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 6,925

At 11%, small companies were slightly more likely to track total sales than the 9% of both medium and large companies. But, this is more likely indicative of smaller relative site productivity than any new theory on smaller firm KPI insight.

Conversion rate is always an important metric for marketers tracking their optimization efforts. In fact, many industry pundits use "conversion rate optimization" interchangeably with "website optimization."

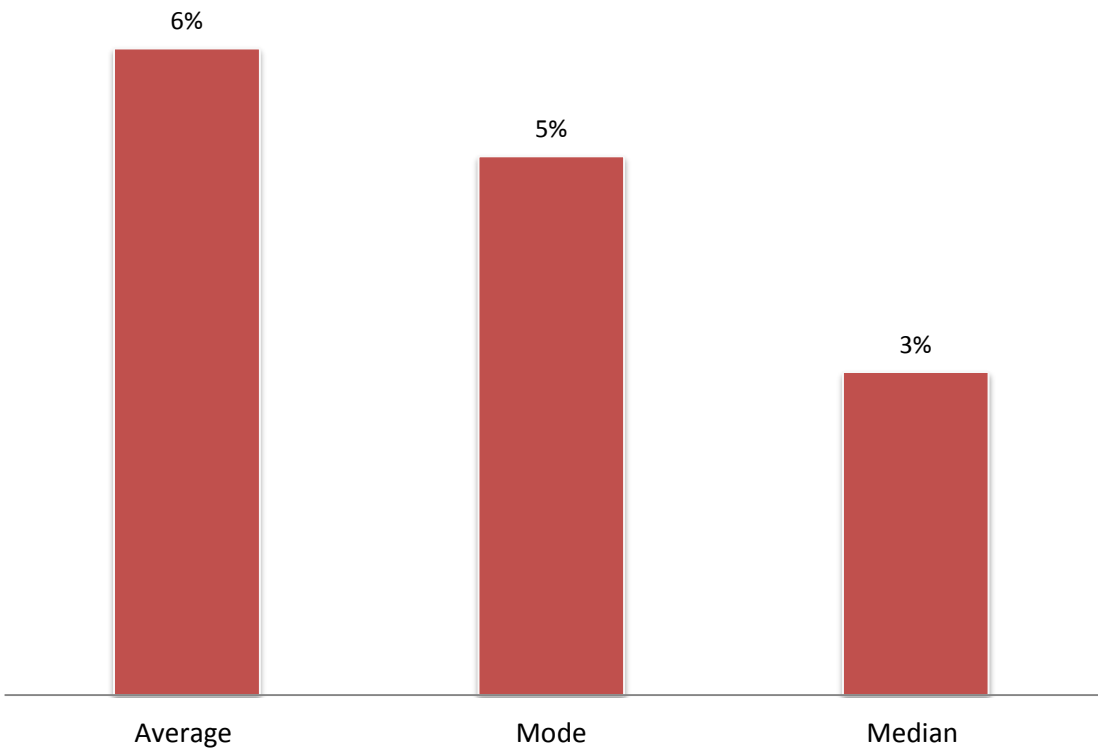
In the MarketingSherpa *2011 Landing Page Optimization Benchmark Report*, 22% of marketers reported they used either "conversion optimization" or "conversion rate optimization" to refer to optimization testing processes.

Regardless of which term marketers use to describe optimizing online conversions, nearly every marketer agrees it's a vital number. In fact, at conferences and training courses, the primary question asked of our presenters is, "Can you give us hard data on average conversion rates?"

Conversion data is not an absolute science, and it is vital to remember that every website is different. What will work for your site is based on your unique value proposition, and niche audience and business model.

Chart 3.12: Marketers' average website conversion rates

Q. Please write in your organization's average conversion rate.



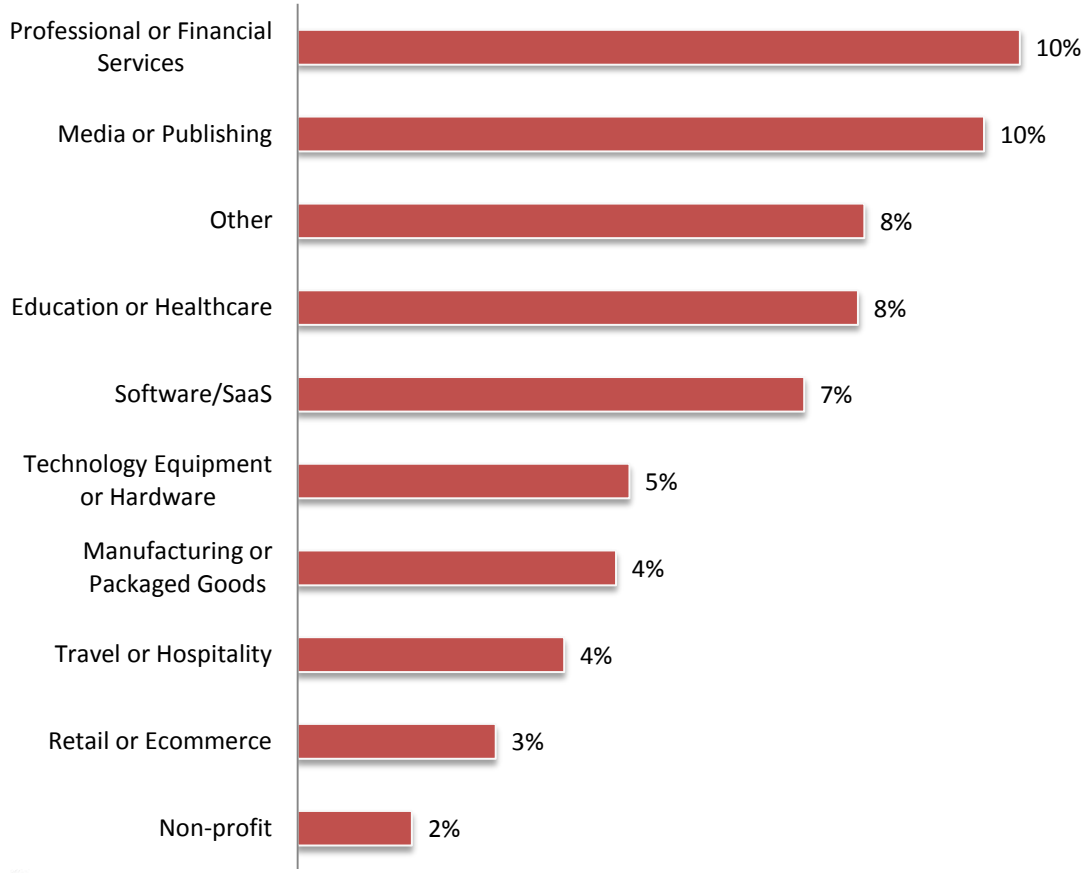
Source: ©2012MarketingSherpa Website Optimization Benchmark Survey N=167
Methodology: Fielded April 2012, N=167

With this in mind, we wanted to give marketers some average data to benchmark their site performance against, so we asked them to share their average conversion rates. The results: the average conversion rate for those marketers who wrote in their data was 6%.

In order to fully understand this data, we also included the median number (3%), which is considerably lower than marketer's average conversion data. Finally, we included the mode for our data, as the commonly appearing conversion rate (5%) provides another data point to convey to your C-suite.

Chart 3.13: Marketers' average website conversion rates, by industry

Q. Please write in your organization's average conversion rate.



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=167

Marketers often want to look at numbers in relative terms. Just as every site has its own inherent "DNA" which will determine its overall conversion, **every industry has a unique buying cycle and product mix that will dictate a website's ultimate conversion rate**.

The above chart depicts average conversion rates, by industry. As you can see, professional/financial service and media firms fall to the higher end of the spectrum, each earning a roughly 10% average site conversion rate, while nonprofit and e-commerce companies lag the aggregate data, with 2% and 3%, respectively.

Clickthrough rate is often coupled with conversion rate as a metric tracked by marketers. In fact, when identifying the top website optimization goals on a global level, we combined conversion and clickthrough, and reported that 68% of marketers track these targets.

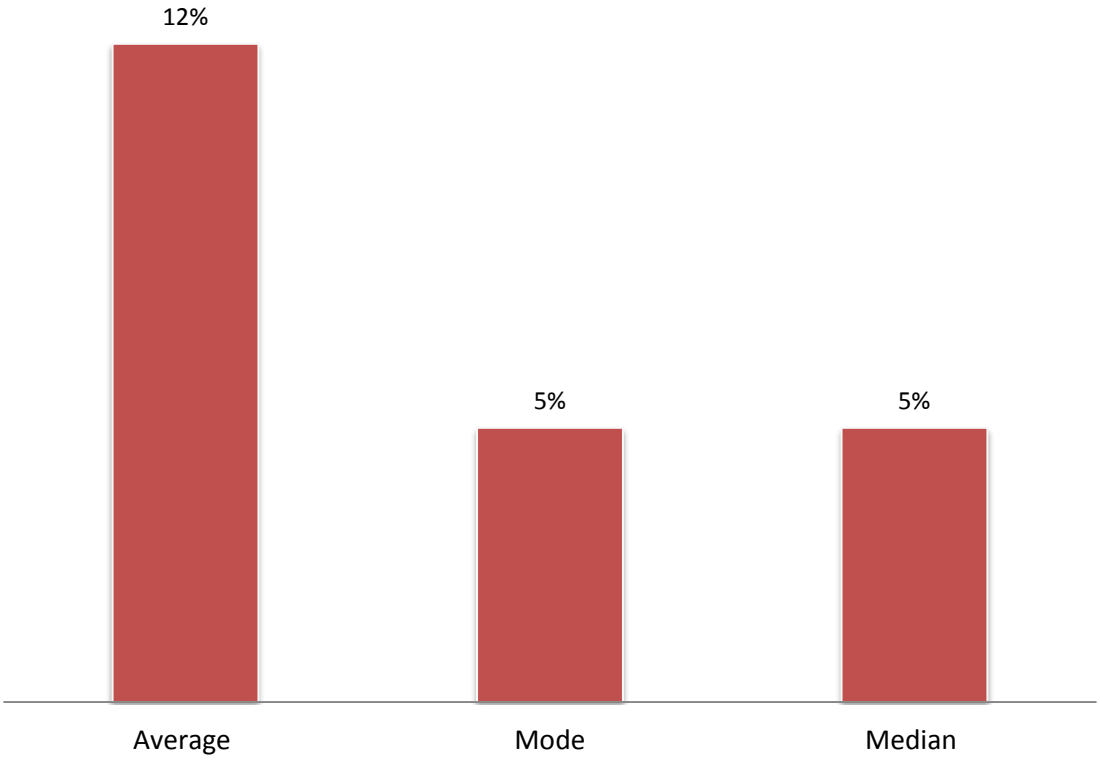
Conversion and clickthrough are not the same term, however. For website optimization, clickthrough is an activity metric. When a call-to-action button inspires the reader to press a button and continue along your site's sales path, it serves as a clickthrough on that page.

In contrast, conversion refers to an internal business goal, which is considered from the perspective of the website. A conversion could be qualified as earning a click, or it could be a series of clicks that result in a sale, or even successfully getting the reader to spend more than five minutes reading a posted whitepaper.

As a result, when we asked marketers about clickthrough rates, the average, mode and mean vary a bit from reported conversion rates – which is predictable, as a conversion is often more difficult to earn.

Chart 3.14: Marketers' average clickthrough rates

Q. Please write in your organization's average clickthrough rate.

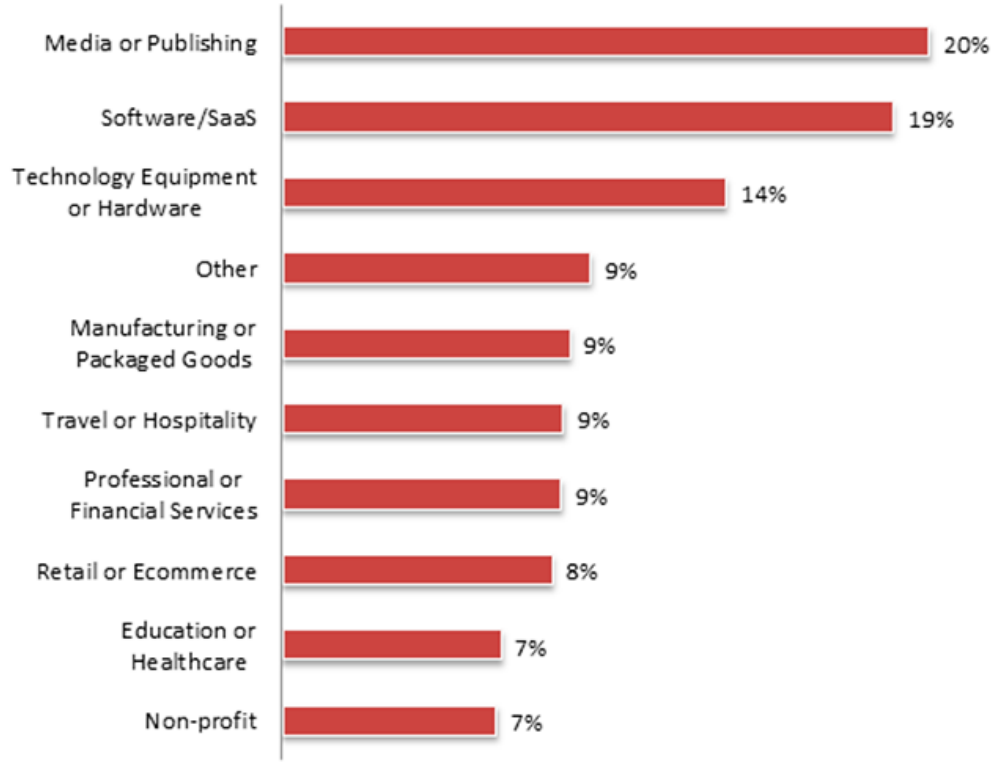


Source: ©20112MarketingSherpa Website Optimization Benchmark Survey N=123
Methodology: Fielded April 2012, N=123

Please remember – conversion rate is not an exact science, as marketers have not yet agreed on a solitary definition of conversion. Hard data serves a purpose, particularly when making the case for optimization to the C-suite. When presenting this data, remember that you are offering a relative number. Even internally, tracking overall unique clicks versus average order value will produce a different data point. Use conversion and clickthough data judiciously.

Chart 3.15: Marketers' average clickthrough rates, by industry

Q. Please write in your organization's average clickthrough rate.



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Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=123

As written above, conversion is a subjective metric. As such, clickthroughs are largely dependent on a site's offering(s), and how they are presented to visitors.

Media and publishing firms, and software/SaaS firms reported high clickthrough rates, with 20% and 19% respectively. Though speculative, it is likely that these numbers reflect the appeal of particular calls-to-action from these industries.

For example, CTAs that lead to free software trials, whitepapers or sample publication downloads provide immediate, "tangible" value to visitors, and would likely draw more clicks than those which do not offer such incentives. This could explain the relatively low performance of education/healthcare and nonprofit industries, which both reported 7% clickthrough rates for 2011.

Likewise, retail and e-commerce sites also reported low CTR – just 8% – which is likely due to customer indecision, or inability to find what they are looking for.

DO MARKETERS UNDERSTAND THEIR WEBSITES' CONVERSION PATHS?

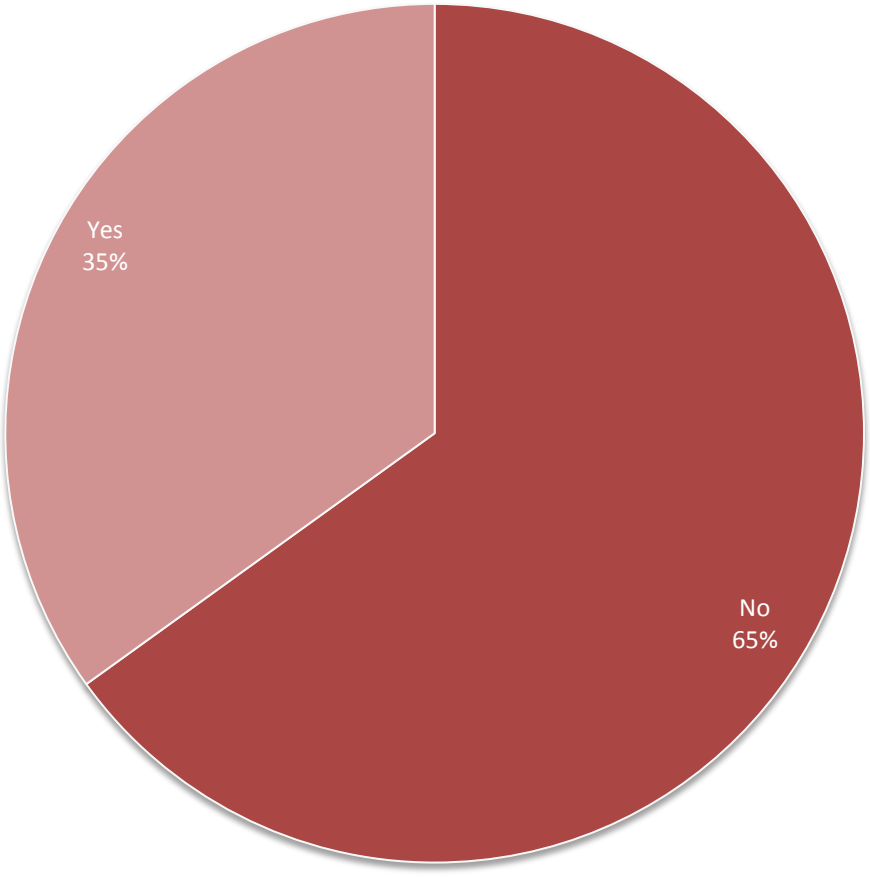
Websites do not exist in a vacuum. While each of your individual pages should be capable of standing alone, each achieving its individual micro-conversion goal, your website design must also consider the entirety of your site's online experience.

A website can have a wealth of possible conversion paths. Regardless of how visitors arrive at your page, whether from a PPC ad or a Google search, **every page, content layout and call-to-action button should build upon a preceding page**. Each element of your site must then collaborate to advance visitors to an ultimate conversion goal, which is usually a purchase for e-commerce sites, or completing a lead gen form for B2B companies.

In order to develop pages that will accomplish this collaboration, marketers need to know exactly what their sites' conversion paths look like. We wanted to know if marketers fully understood this complex online ecosystem, so we asked how many had clearly mapped their conversion paths.

Chart 3.16: Marketers' understanding of website conversion paths

Q. Has your organization clearly mapped its conversion path(s)?



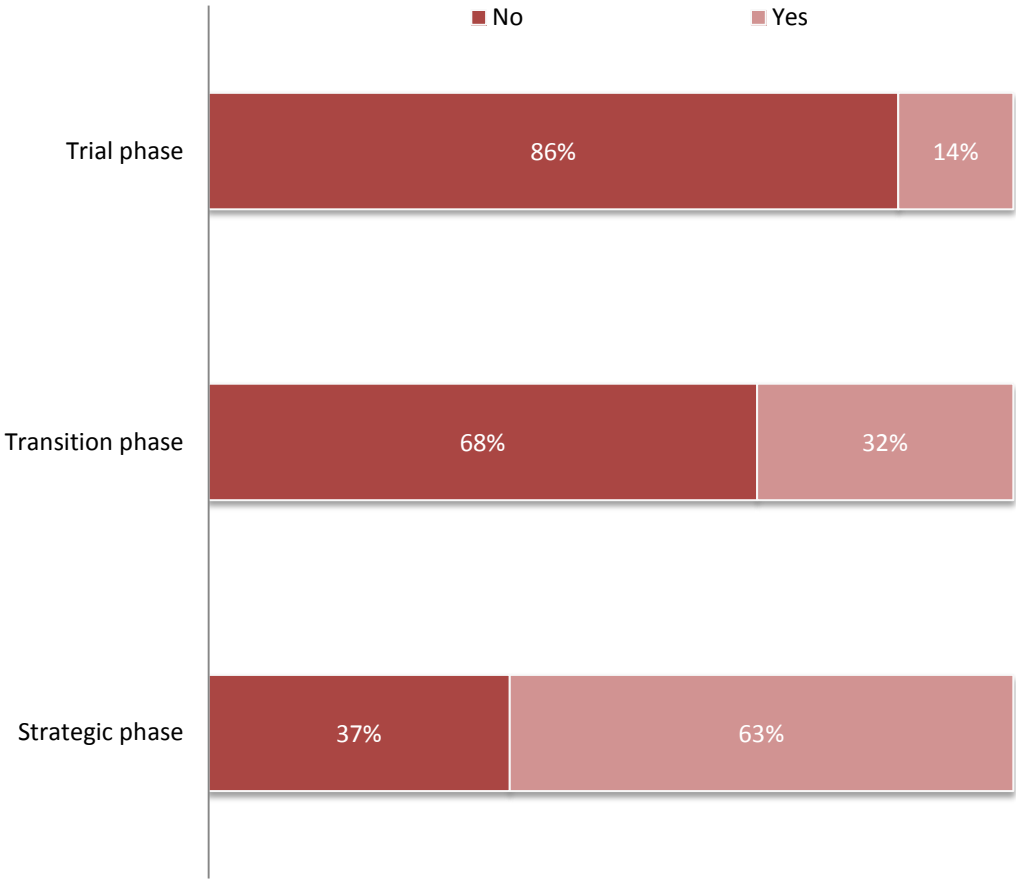
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,749

In the preceding chart, you can see that more than a third of marketers have mapped their site's overall conversion path, which means 65% of marketers have not diagrammed their site's organizational framework, making overall website optimization towards that framework nearly impossible.

Mapping a conversion path is much easier in theory than it is in practice. In addition, website optimization takes place in the "real world," where marketers have inherited legacy code and pages that may not have a clear conversion objective, or where multiple objectives may compete with one another, all of which add additional layers of complexity to conversion mapping.

Chart 3.17: Marketers' understanding of website conversion paths, by maturity level

Q. Has your organization clearly mapped its conversion path(s)?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,749

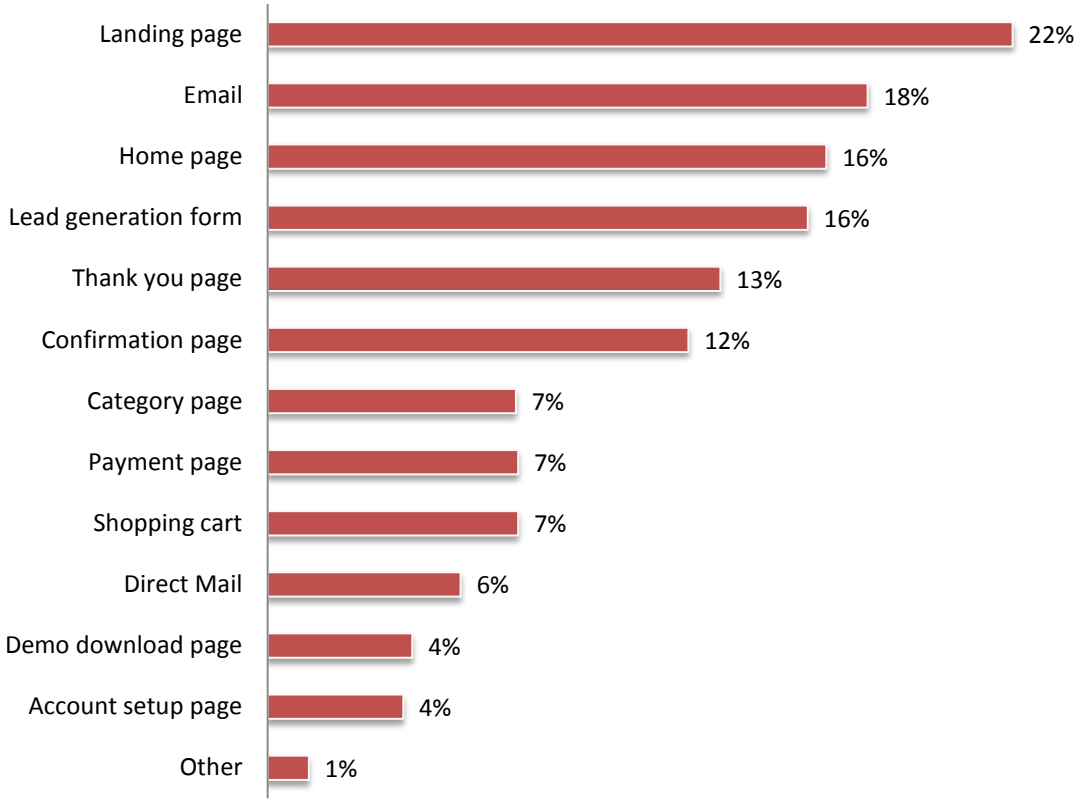
The more advanced companies appear to have a better understanding of how their sites work together, and as such, do a better job of mapping conversion paths. **As the above chart shows, Strategic Phase companies are an incredible 350% more likely to map conversion than Trial Phase firms**. With so many moving parts, it's logical that a facility with conversion optimization objectives grows as it matures in testing expertise.

While 65% of marketers have not completely articulated their entire conversion path, the components of a conversion path remains vitally important to ultimate site productivity.

We wanted to identify which facet of overall page layout marketers included in their firms' primary conversion path, so we asked this of marketing managers and CMOs in the 2012 Website Optimization Survey.

Chart 3.18: Marketers' primary conversion paths

Q. Which of the following page elements does your organization include in your website's primary conversion path?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,488

From this data, we can see that incoming routes – landing page and email – play a major role in marketers' primary conversion paths. Logically, optimizing the audience's first experience with your site – which is frequently either a landing page or Web-optimized email – will significantly impact a site's overall conversion productivity.

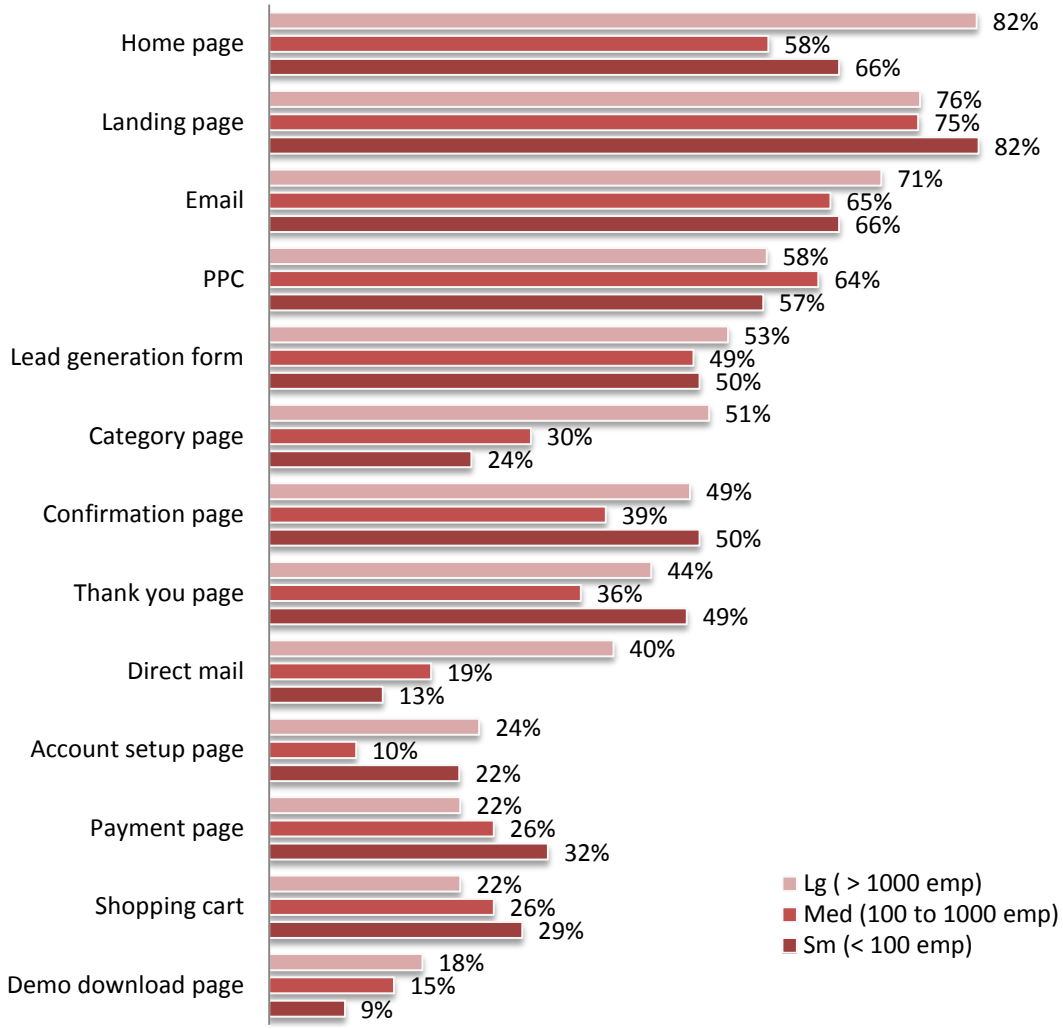
The homepage ranks third in marketers' overall estimation of conversion path tracking, rating in 16% of marketers' conversion paths. This can be a complicated page for novice website optimizers to effect real change. When optimizing the homepage, the testing program is likely dealing with multiple audience

segments, conversion goals, and often more than one call-to-action, making it difficult to follow results to the final sales conversion.

Because of the multiple purposes it serves, there are a number of viable reasons against including the homepage in a company's primary conversion path. Done correctly, digital marketers want to connect the audience as closely as possible to an ultimate conversion goal, making a landing page a better alternative.

Chart 3.19: Marketers' primary conversion paths, by company size

Q. Which of the following page elements does your organization include in your website's primary conversion path?

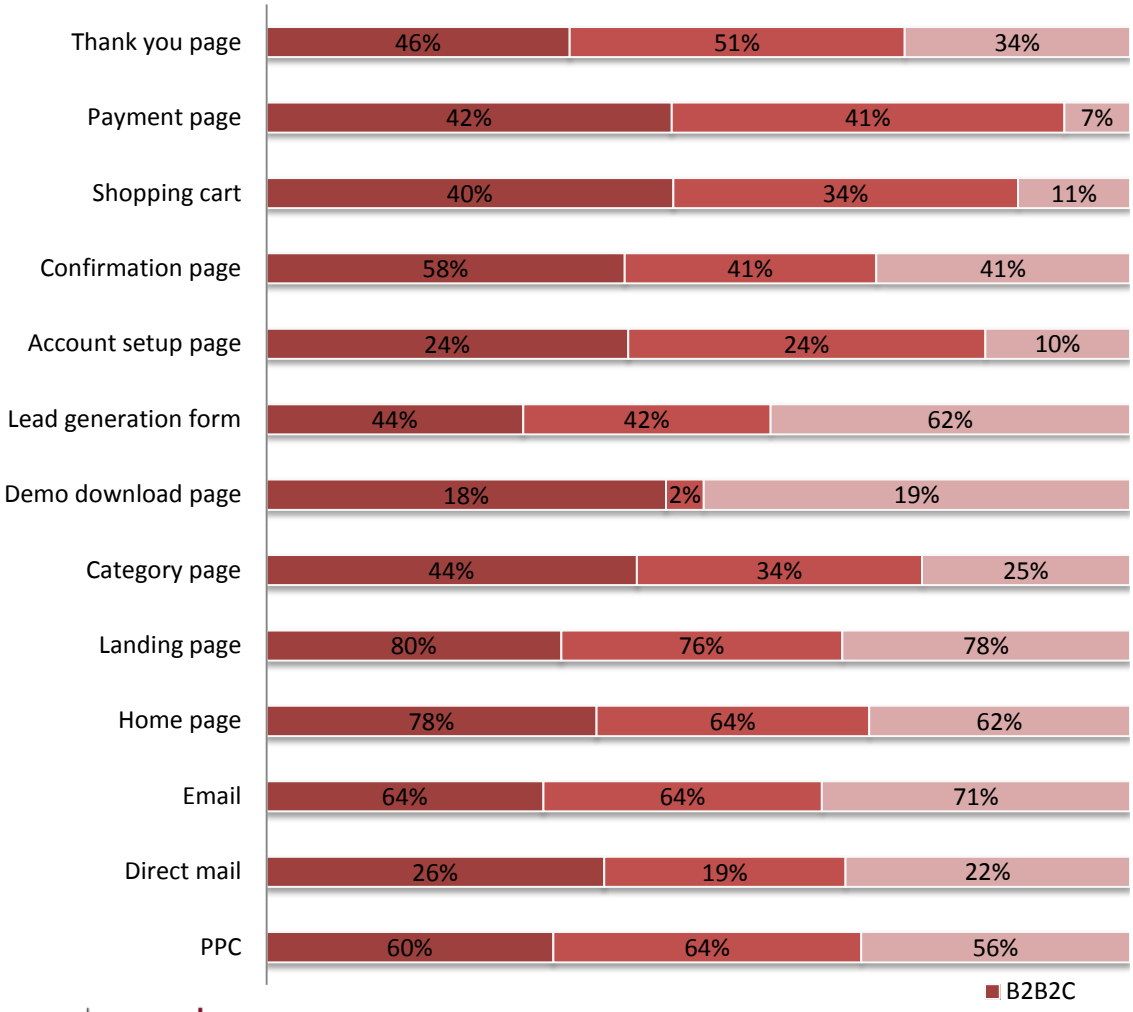


Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 1.003

As seen in the above chart, 82% of large companies included homepages in their conversion path. However, 76% of large companies utilized landing pages, 51% employed a category page, and 49% included a landing page, leading us to infer that large companies, with larger capital, have more layers to their overall conversion paths.

Chart 3.20: Marketers' primary conversion paths, by channel

Q. Which of the following page elements does your organization include in your website's primary conversion path?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 1,003

Interestingly, while only 7% of the general population included the shopping cart in their conversion path, 34% of B2B companies, and 40% of B2B2C marketers, consider these elements as vital to overall conversion goals.

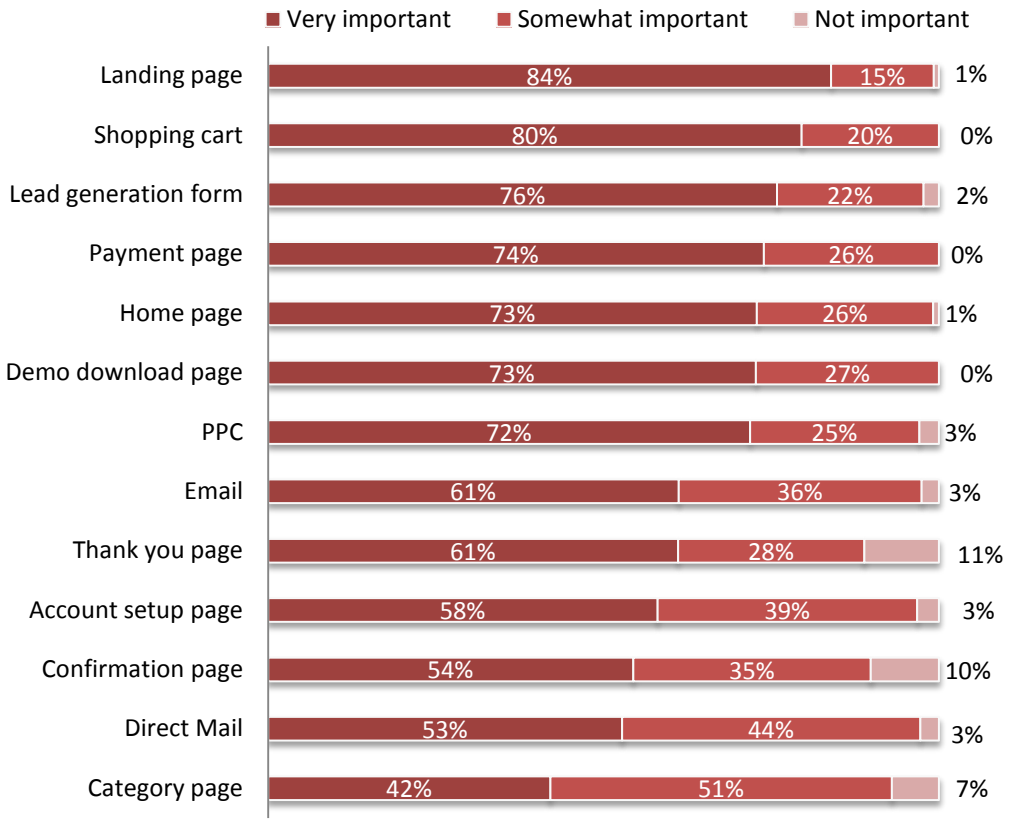
Logically, if the ultimate conversion goal is, in fact, a sale. **Even an extremely short conversion path needs to include some means for the audience to transact their purchase**. Conversely, B2B companies, which primarily use a website to generate leads, included a lead generation form in the conversion path 48% more often than B2C marketers.

As previously discussed, a website's usefulness to a marketer is entirely dependent on its return. **The most elegant, interesting conversion path is only as good as its ability to generate return**. In fact, the more layers marketers include in a website (particularly if they fail to include easy navigation, or to allow visitors to control their own Web experiences), the more likely the site is to deter its core audience.

After establishing which elements marketers currently involve in their conversion path planning, we wanted to identify which pages marketers should involve in their conversion paths. We asked, of the pages that comprised their overall conversion paths, which were considered most important.

Chart 3.21: Critical page elements for conversion

Q. Please rate the importance of the following page elements that are included in your website's primary conversion path.



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=749

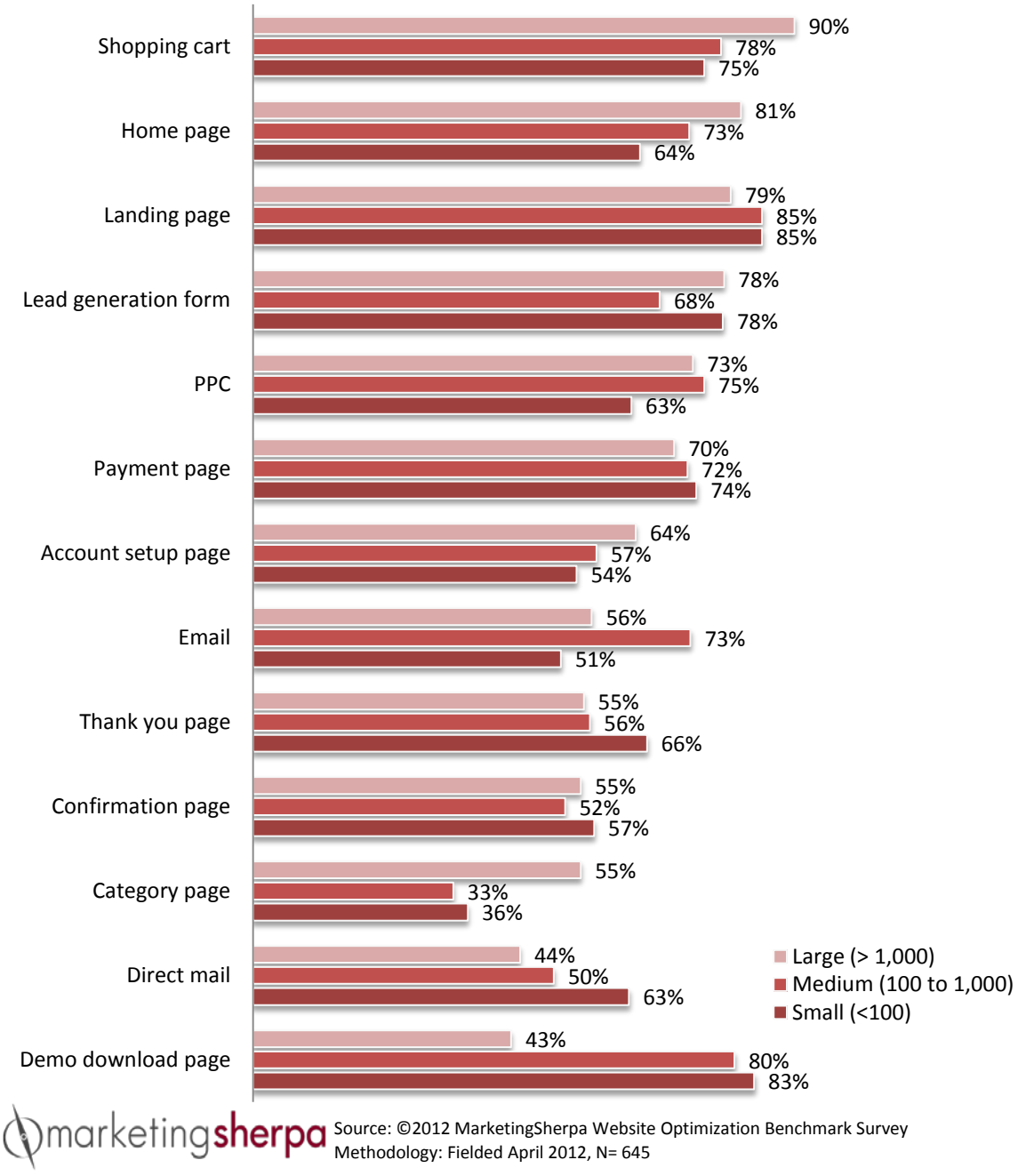
This is where the landing page takes center stage. 84% of marketers testified that landing pages were very important to their website's primary conversion path.

By "landing page" most marketers are referring to any page on which a prospect lands when coming to the website. Therefore, developing optimized landing pages has been crucial in determining how marketers construct optimization processes. As a testament to this paradigm, we named MarketingSherpa's 2011 report on optimization the *Landing Page Optimization Benchmark Report*. This year, we broadened our

research to encompass how marketers were optimizing *every* phase of their digital marketing strategy. However, landing page optimization remains critical to this research.

Chart 3.22: Critical page elements for conversion, by company size

Q. Please rate the importance of the following page elements that are included in your website's primary conversion path (VERY IMPORTANT).



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 645

"It's not what we do once in a while that shapes our lives. It's what we do consistently."
– Anthony Robbins, Author, *Personal Power*

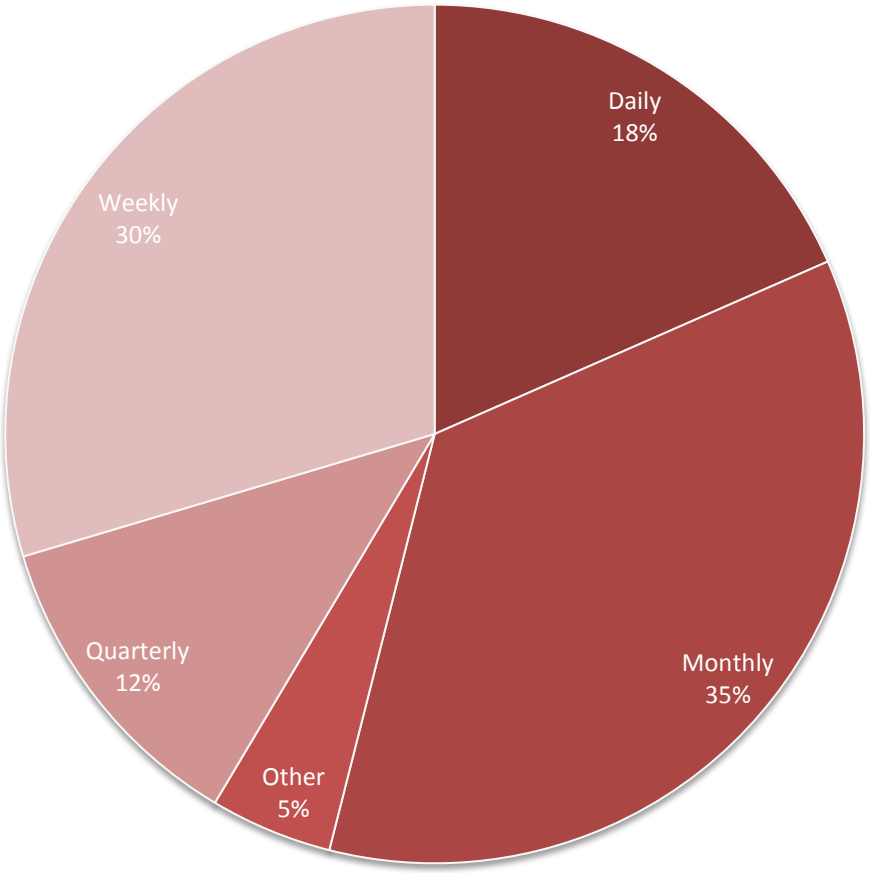
We remember famous track stars for their personal records – Usain Bolt is known for his world record, in the 100m dash. Success in optimization, however, is not based upon a single event. **Proper website optimization, which will affect real change in your organization, is an ongoing, open-ended process**, during which a company continually tests the boundaries of its website performance.

To generate executive sponsorship, you may choose to socialize your optimization PR – the best test or conversion improvement you managed to produce in your last test. However, it is much more important to track consistent improvements in online performance. These changes are the ones that "permanently" move the needle of site ROI.

Marketers can only consistently improve what they consistently measure. With this in mind, we wanted to know the rate at which marketers monitor their vital conversion KPIs. On the chart below, we explore how frequently marketers evaluated their conversion path metrics.

Chart 3.23: Evaluation of conversion metrics

Q. How frequently does your organization evaluate conversion path metrics?



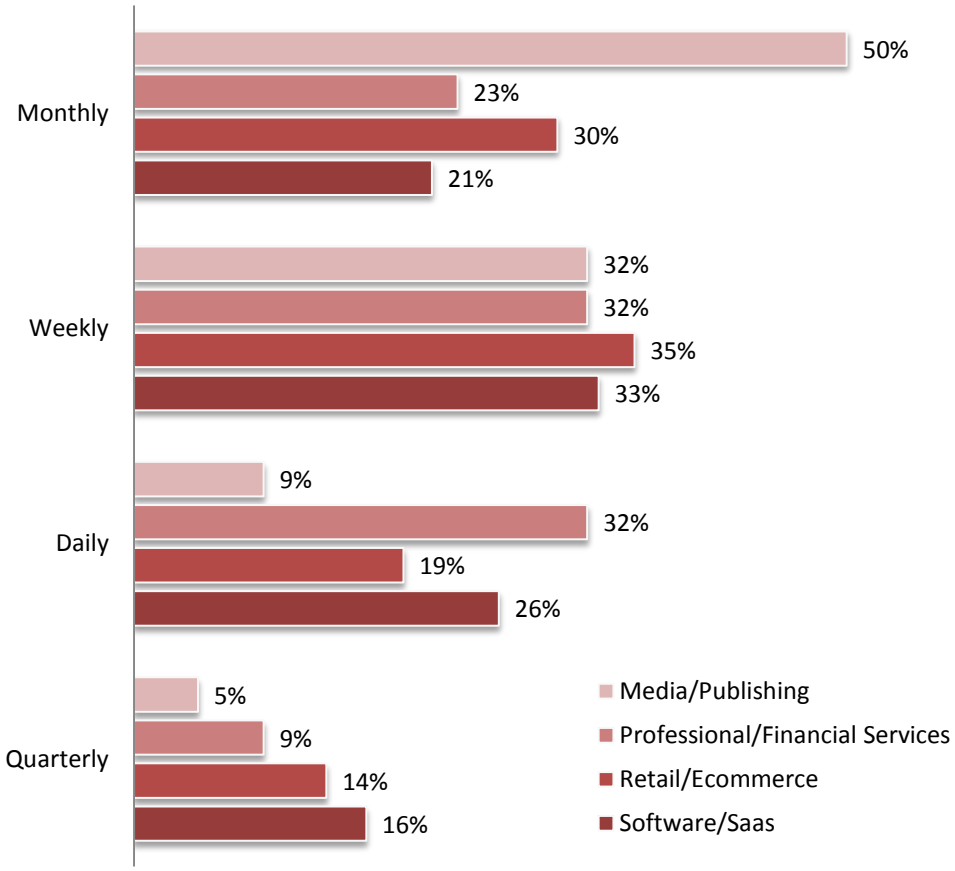
marketingsherpa

Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey Fielded April, 2012 N=185 Methodology: Fielded April 2012, N=2,504

In terms of tracking overall conversion metrics, marketers have yet to establish a single tracking model. It is promising to note that **nearly 50% of optimization campaigns are reviewed at least weekly**, with another 35% of practitioners reviewing their optimization results monthly, alongside other regular data tabulations.

Chart 3.24: Evaluation of conversion metrics, by industry

Q. How frequently does your organization evaluate conversion path metrics?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 119

By industry, conversion metric tracking most likely aligns with other business cycle analysis. Half of media/publishing firms conducted monthly tracking reports, significantly more than the 30% of retail companies, 23% of professional service firms, and 21% of software firms producing monthly optimization reports.

Alternatively, professional and financial service firms, who regularly conduct daily transactional accounting and audit clearing, were more likely to track daily optimization numbers.

Once your company clears a minimum level, the rate of data socialization you select is less important than ensuring your firm has consistent reporting standards in place, and that you steadfastly commit to the process of data review.

WHAT CHANNELS ARE AFFECTED BY WEBSITE OPTIMIZATION STRATEGY?

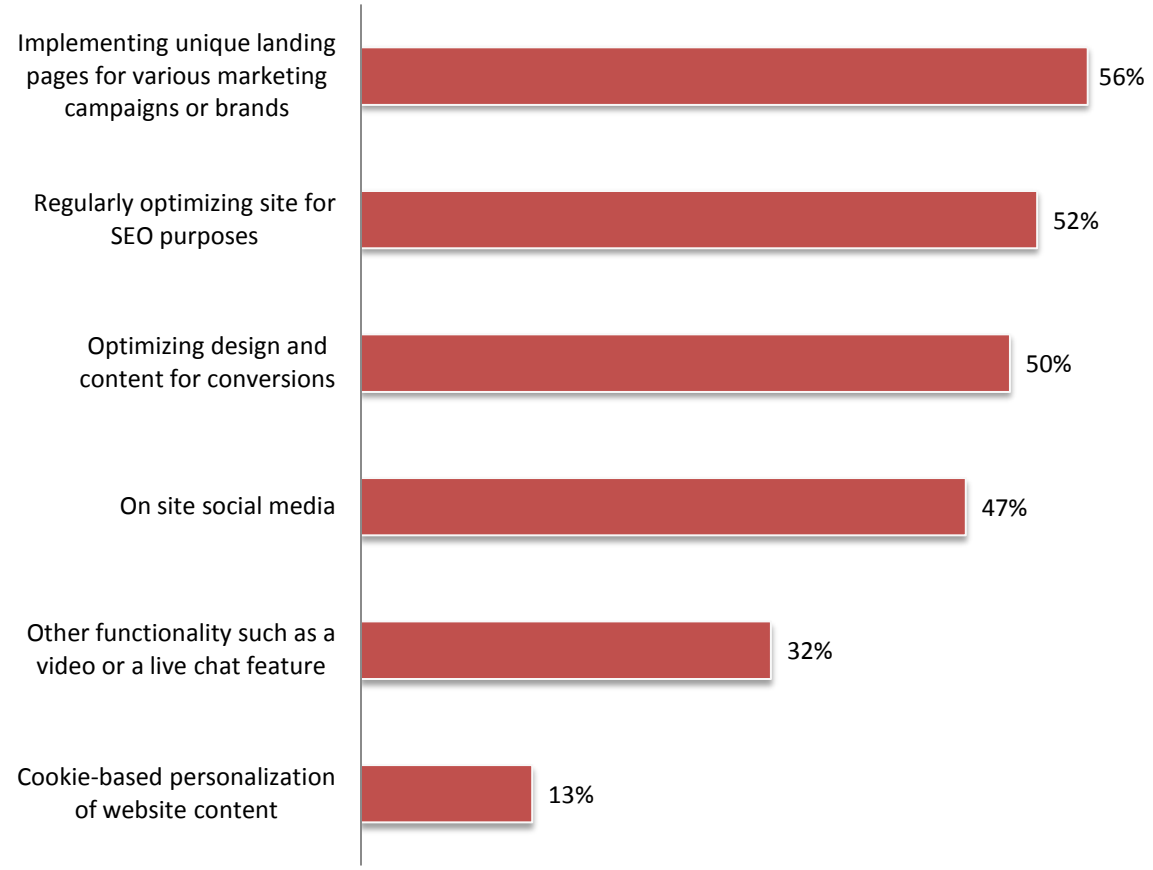
Just as one person pulling a rope is less effective than a team doing the same task; your webpages work better as a collective entity. Designing an online experience is exponentially more complicated, because there is no single rope or conversion path, but rather a multitude of paths and channels through which your audience can potentially arrive at your home or landing page, from social media, a compelling blog, or pull campaign.

As a result, understanding how multiple websites create an overall online experience becomes more important. Each channel should support your firm's marketing strategy, rather than stand separately as a haphazard mix of individual marketing campaigns.

We wanted to identify which major channels were regularly involved in website optimization campaigns, so we asked marketers which common outreach tactics they used. See the chart below for the results.

Chart 3.25: Marketers rate core channels for optimization

Q. Which of the following website optimization tactics does your organization currently use?



marketingsherpa

Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=584

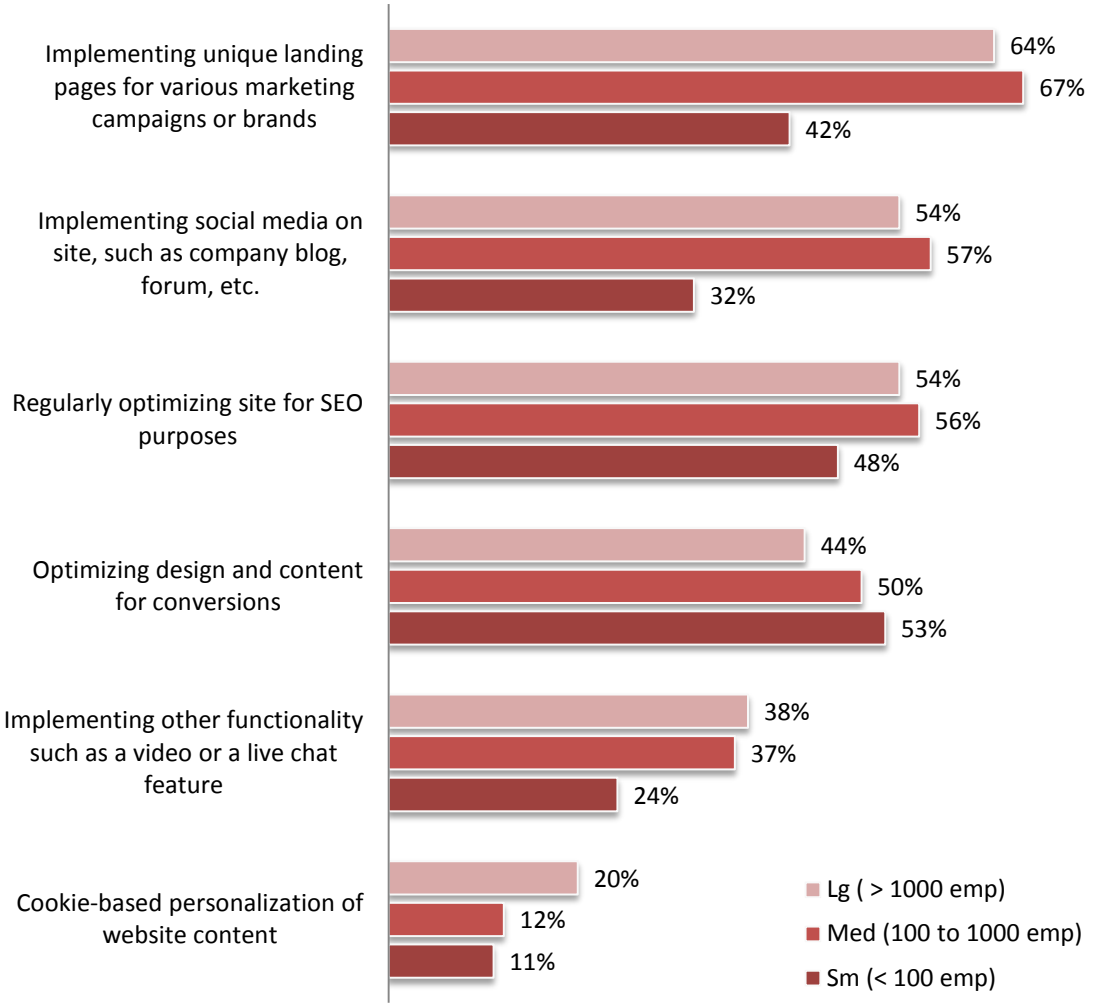
According to our 2012 Website Optimization Survey, marketers are paying close attention to inbound marketing. Practitioners focused on pull tactics included the 56% who implemented unique landing pages

for separate campaigns or brands, the 52% who regularly optimized their site for SEO, and the 47% who refined on-site social media efforts.

In Chapter 1, we learned that 59% of marketers consider the website a distinct marketing channel. The preceding chart paints a more comprehensive picture of this data. While online strategy may still consider the website an individual entity, a focus on pull techniques highlights marketers' transition to a hub-and-spoke online strategy.

Chart 3.26: Marketers rate core channels for optimization, by company size

Q. Which of the following website optimization tactics does your organization currently use?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 574

Marketers spent less time refining individual site functionality to segment their audiences. Overall, only 13% of companies deploy cookie-based personalization to actively transform a user's site experience based upon their past viewing habits.

As the chart above shows, large companies are somewhat more likely to engage that strategy, with 20% adopting this practice, versus 12% of medium firms, and 11% of small companies.

HAVE MARKETERS ADOPTED MOBILE MARKETING STRATEGIES?

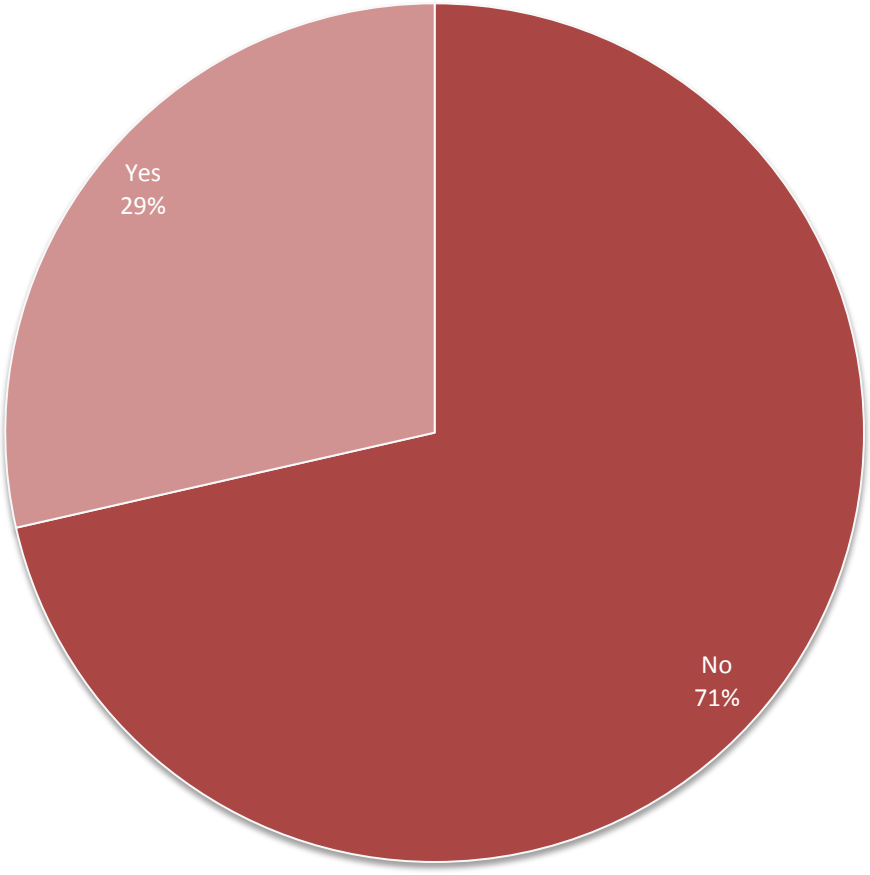
The next frontier for digital marketing is mobile. Morgan Stanley reports **91% of all U.S. citizens have their mobile device within reach 24/7**. Furthermore, according to the Mobile Marketing Association of Asia, of the six billion people on the planet, 4.8 billion have a mobile phone, while only 4.2 billion own a toothbrush

As smart marketers, we need to think about how to deploy this channel and evaluate the ROI of mobile campaigns. According to the data, marketers are reaching a tipping point in terms of mobile adoption. MarketingSherpa's 2011 B2B Marketing Benchmark Survey discovered mobile outreach ranked second only to whitepapers for growing B2B email lists.

Similar to traditional websites, simply having a mobile site is not enough. **Marketers must also pay attention to the functionality behind their mobile pages**. To learn more about how marketers approached mobile campaigns, we asked marketers if their organization was developing optimized sites.

Chart 3.27: Marketers' transition to mobile Web optimization

Q. Does your organization produce mobile-optimized sites and/or pages?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=837

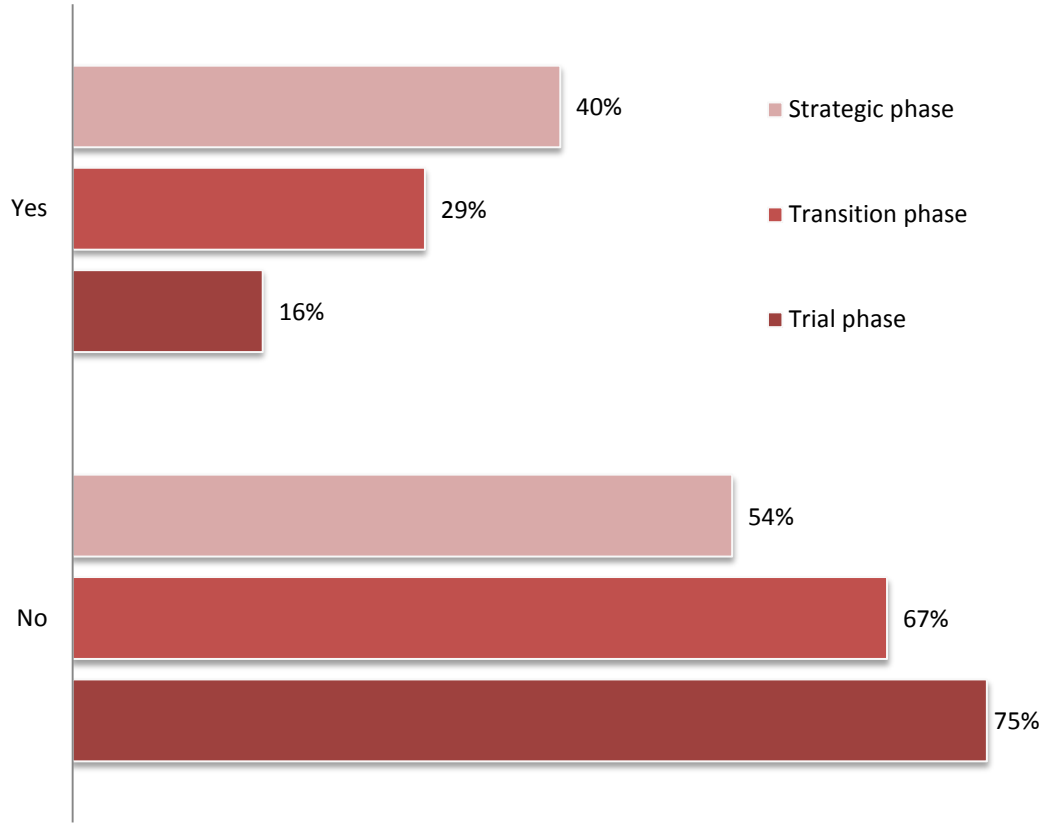
Looking at the chart above, it is clear we have not yet reached mobile saturation. In fact, 71% of marketers involved in optimization reported they do not develop mobile optimized sites.

This lag in adoption rates may well be the result in an overall lag in understanding and justifying the ROI of mobile marketing. In the *2012 Email Marketing Benchmark Report*, we found that **while 42% of email marketers are designing their email campaigns to render effectively on mobile devices, only 21% of marketers found their mobile optimization efforts effective**.

This gap in experience is highlighted by the 40% of Strategic Phase marketers who have already adopted mobile optimization for their webpages, 150% more than Trial Phase practitioners. Just like any learning curve, we wouldn't expect Trial Phase companies to optimize for mobile before they clearly understand how their channels work together. Still, Strategic Phase marketers' mobile success underscores the creative freedom that developing repeatable optimization processes offers marketers to explore other avenues of digital ROI.

Chart 3.28: Marketers' transition to mobile Web optimization, by maturity level

Q. Does your organization produce mobile-optimized sites and/or pages?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 528

By industry, media companies were slightly more likely than their retail/e-commerce peers to optimize their sites, at 34% versus 20%. With an active audience reading news on phones, mobile websites are certainly

relevant for media companies. However, retail firms should not ignore mobile, either. According to *Venture Beat*, Starbucks processed more than 26 million mobile payments in the first half of 2011.

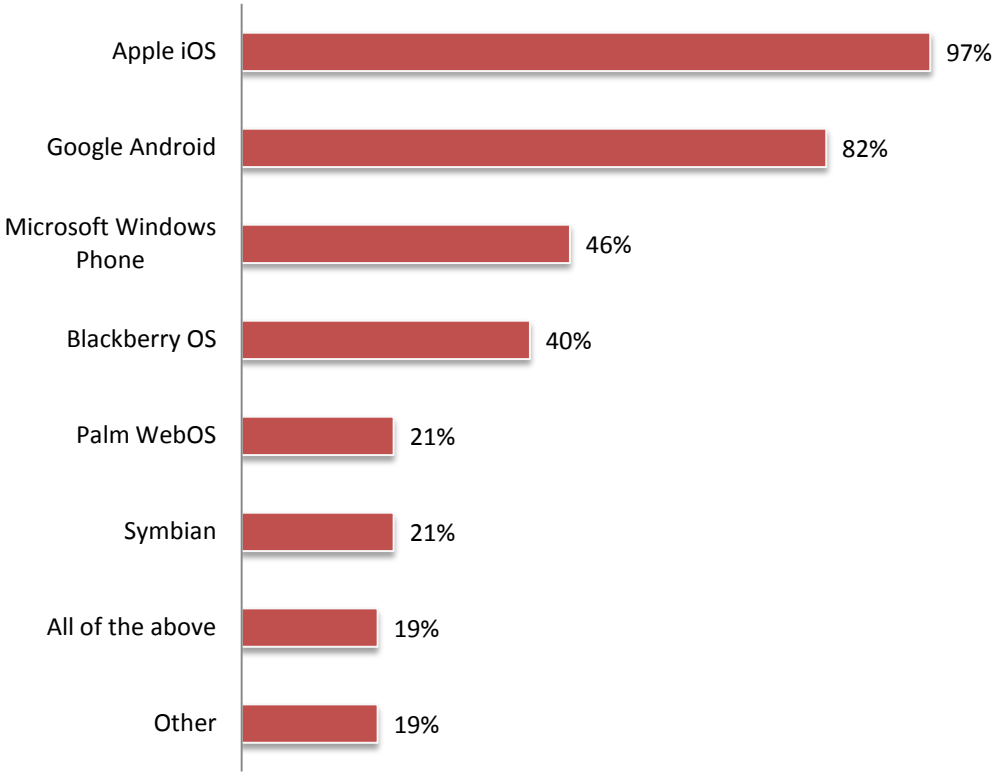
The device-based nature of mobile development adds an additional layer of complexity to mobile optimization strategies. Rather than creating a single app for all mobile campaigns, each individual device (e.g. the iPhone or Android) requires separate programming and page layout strategies.

As a result, **marketers must carefully look at their audience profiles to glean insight into which mobile products are used by their target clientele**, and then make a business decision on whether it makes sense to develop and optimize mobile pages for specific devices. If your entire prospecting segment owns iPhones, then an Apple-specific strategy may make sense. If not, developing mobile-optimized websites is likely a better solution.

In the 2012 Website Optimization Survey, we wanted to identify which operating systems were most frequently targeted by mobile marketers. We asked the 29% of marketers who developed mobile pages last year which platforms they optimized for.

Chart 3.29: Optimization of pages for mobile platforms

Q. Which operating systems do you optimize for?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=89

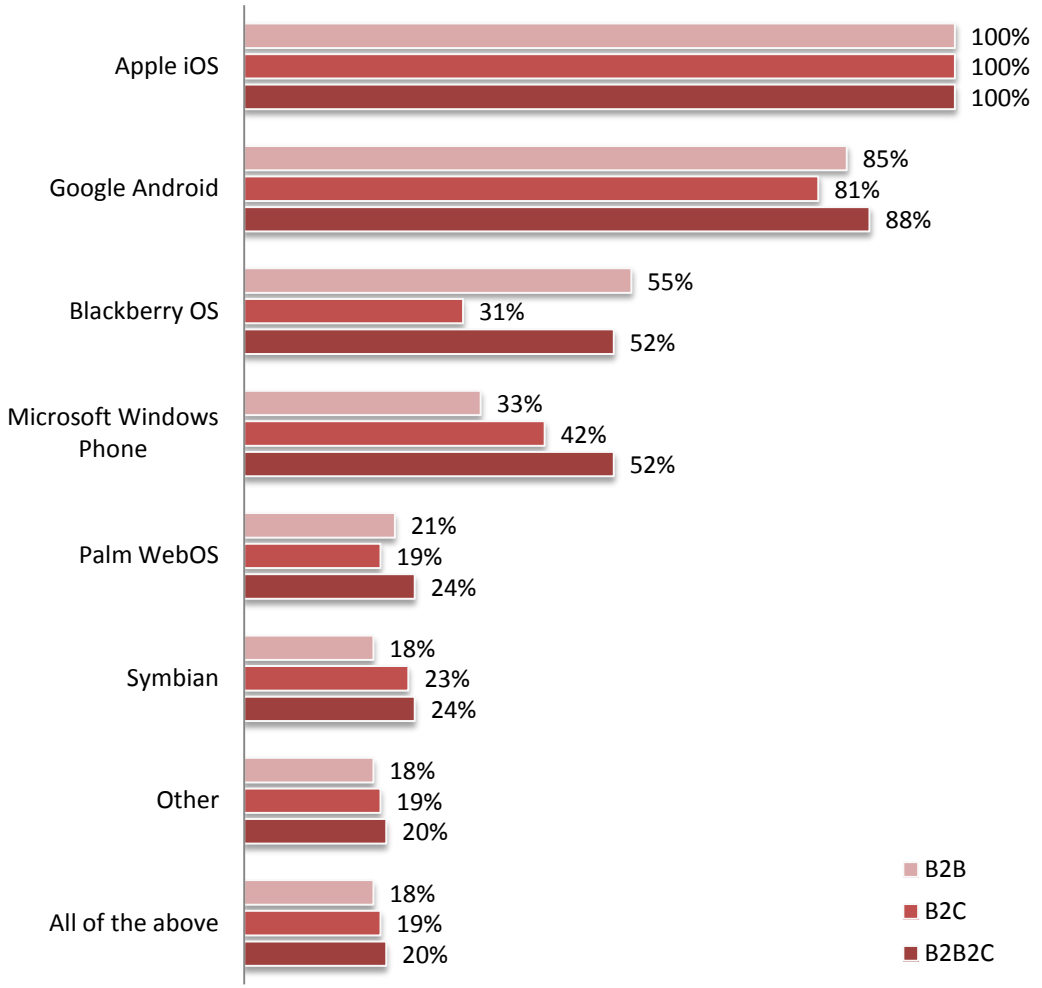
Among marketers optimizing mobile devices, 97% developed campaigns specifically for Apple iOS. Lagging slightly was Android, with 82% of marketers creating pages for the open-source platform.

Blackberry, the clear favorite among B2B marketers several years ago, netted just 43% of Apple's performance, with only 40% of marketers still designing mobile campaigns for legacy Blackberry products. Still, in looking at the chart below, it's clear that among purely B2B marketers, Blackberry maintains a following, with 55% of B2B marketers, and 52% of B2B2C mobile marketing campaigns aimed at the venerable platform.

In order to identify which products best address your niche audience, you must be able to identify how your mobile audience is accessing your site. Database segmentation is ideal, but website analytics, ESP, third-party vendors, or asking your audience on a site preference page are also solid avenues in which to find audience segmentation data.

Chart 3.30: Optimization of pages for mobile platforms, by channel

Q. Which operating systems do you optimize for?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 297

ARE MARKETERS INCORPORATING UNIVERSAL LEAD DEFINITIONS INTO THEIR FUNNEL STRATEGIES?

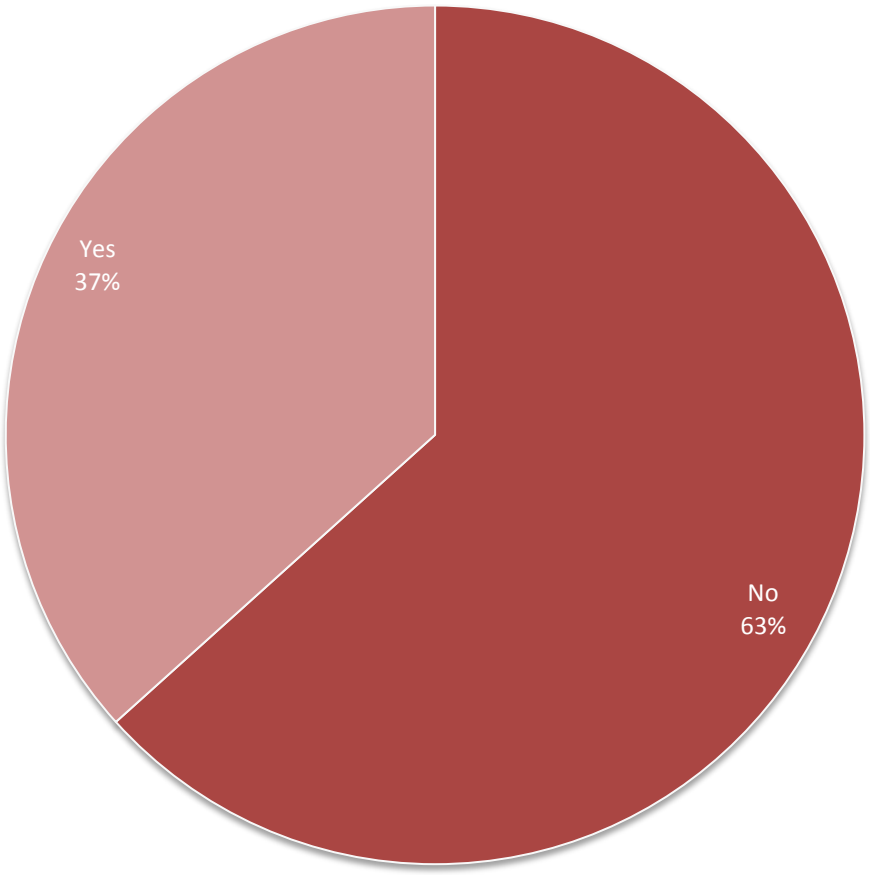
Firms develop a Web presence for a variety of reasons. **If your company isn't involved in direct sales, then the lead generation capability of your website becomes a primary concern**. A key tool to facilitate the process of identifying productive leads from your online strategies is the Universal Lead Definition.

> *Universal Lead Definition: A lead that has been determined to fit the profile of the ideal customer, has been qualified as sales-ready, and spells out the responsibilities and accountabilities of the participants in the program, Sales and Marketing* - Brian Carroll, Executive Director of Revenue Optimization, MECLABS

We wanted to identify if optimizers organized their inbound marketing using a Universal Lead Definition, so we asked them if they had delineated specific criteria to assess a qualified, sales-ready lead.

Chart 3.31: Optimizers use of Universal Lead Definitions

Q. Does your organization currently have a Universal Lead Definition that identifies the specific criteria of a qualified, sales-ready lead?



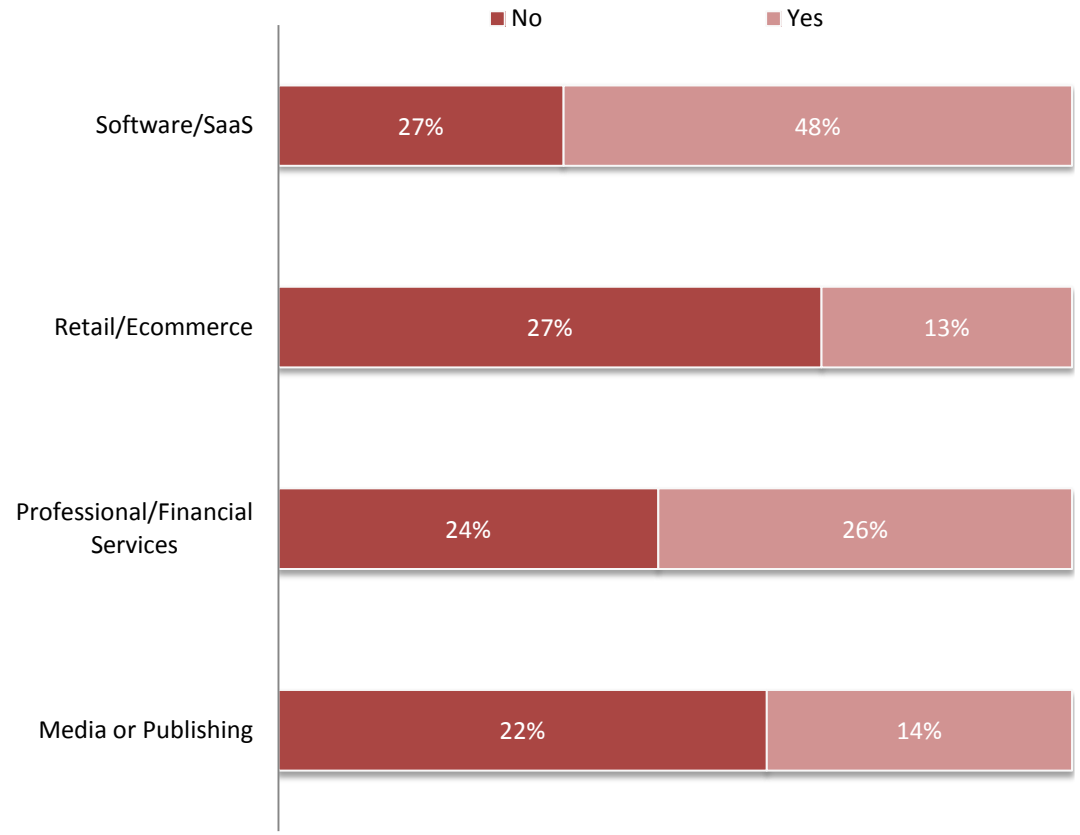
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=742

Unfortunately, this research shows that nearly two-thirds of marketers do not operate with a Universal Lead Definition.

As you might expect, 73% of B2B companies with more advanced lead tracking objectives reported employing a Universal Lead Definition, nearly 330% more than B2C firms. While not to the same magnitude, the chart below displays a similar breakdown, by industry.

Chart 3.32: Optimizers use of Universal Lead Definitions, by industry

Q. Does your organization currently have a Universal Lead Definition that identifies the specific criteria of a qualified, sales-ready lead?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=742

In the 2012 Lead Generation Benchmark survey, we discovered that 71% of our survey respondents indicated that generating high-quality leads was their top lead generation challenge.

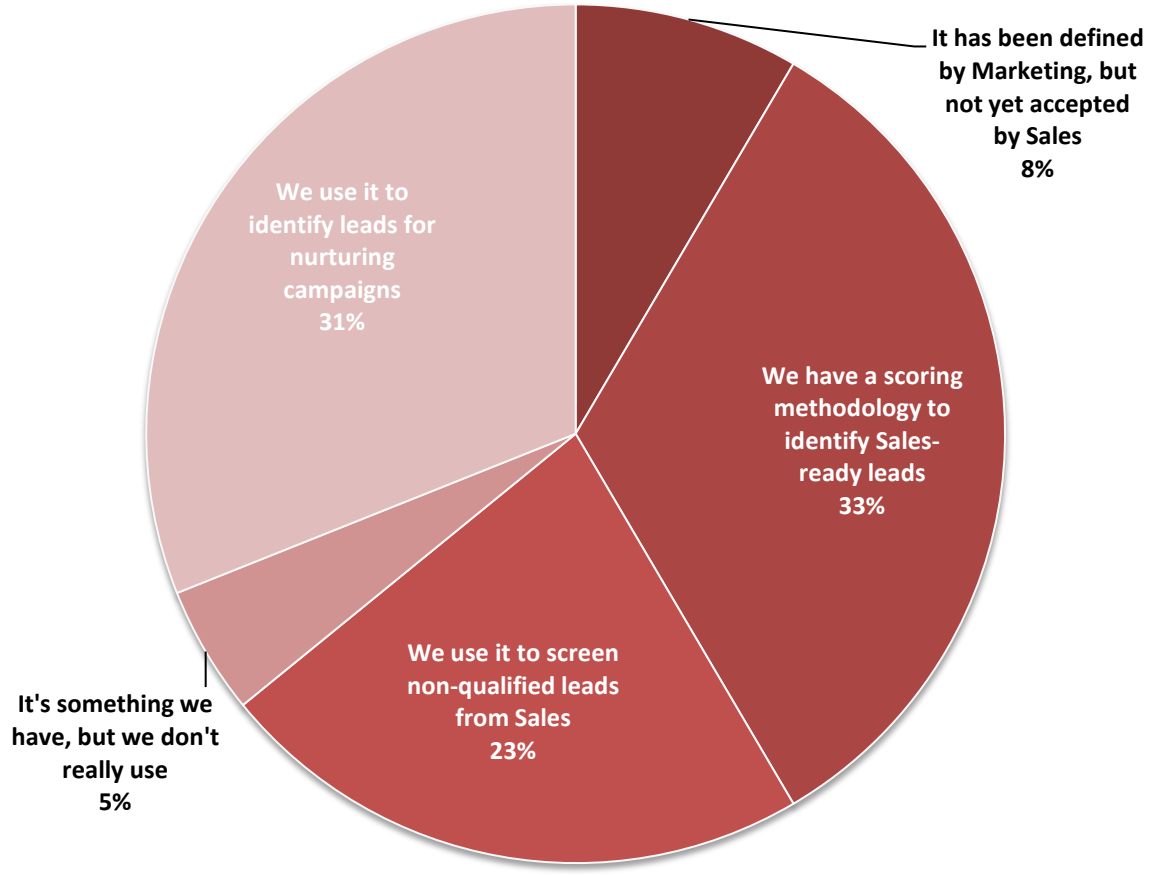
Developing the right tools to discuss leads with their sales teams is the first step towards accomplishing this goal. Lead generation is not just about amassing the largest possible list. In the 2011 B2B Marketing Benchmark Survey, we found that nearly two-thirds of all leads generated are not immediately ready for Sales.

While we know that withholding *any* portion of lead volume from Sales control is a difficult concept to sell, much less a majority of leads. Armed with a Universal Lead Definition and lead scoring strategies, marketers have better tools to communicate with their sales teams.

We wanted to learn more about how well marketers incorporated lead scoring into their overall marketing strategies, so we asked how they would characterize their organization's Universal Lead Definitions. See the chart below for the results.

Chart 3.33: Marketers lead scoring strategies

Q. Please indicate which of the following (if any) is true regarding your organization's Universal Lead Definition.



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=451

We asked the 37% of companies that currently deploy a lead scoring campaign to characterize lead generation practices. From this research, we can identify a promising level of sophistication among lead generation protocols. More than half of marketers have either identified a scoring methodology to identify sales-ready leads or, at minimum, to screen non-qualified leads from Sales.

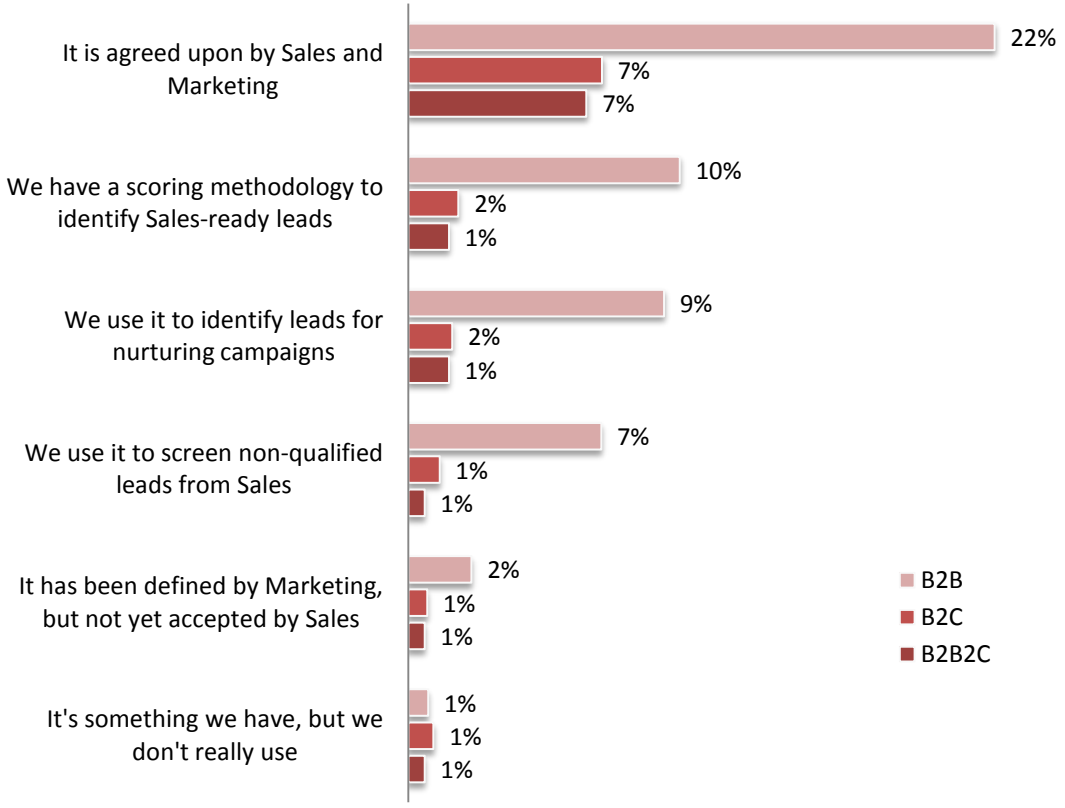
According to the data, marketers who worked with Sales to identify and develop a lead generation evaluation process used their classifications. Only 5% of marketers who developed lead scoring last year ignored this scoring approach.

As you might expect, B2B marketers disclosed dramatically more advanced means of engaging with their sales teams. Notably, when compared with B2C marketers, they were 214% more likely to work with Sales to develop a lead definition, 350% more engaged in allotting leads into distinct nurturing campaigns, 400% more inclined to assign a lead scoring methodology, and 600% more apt to screen non-qualified leads from their Sales teams.

Shown in the chart below, channel insights also positively featured the strides marketers have made in dealing with Sales. Despite a perceived Marketing-Sales divide, when Marketing defined lead generation strategies, approximately 98% of channel marketers worked with Sales to get these designations accepted.

Chart 3.34: Marketers lead scoring strategies, by channel

Q. Please indicate which of the following (if any) is true regarding your organization's Universal Lead Definition.



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,454

BONUS RESEARCH: THE IMPACT OF WEBSITE OPTIMIZATION ON MARKETERS' DAILY PROCESSES

Record-breaking bottom-line improvements have solidified website optimization as the single-most effective opportunity to measurably improve marketing performance. But, where should marketers begin? What people, processes and technology need to be in place before designing your first test and optimizing your first webpage?

Optimization is a mindset. Internally, website optimization programs don't fail because someone chose the wrong color red for the call-to-action button. Website optimization campaigns can fail when practitioners forget to position their corporate cultures to embrace change. Make your company a place where consistently tracking digital performance and questioning the status quo is the norm, rather than the exception.

From an operational standpoint, advanced website optimization strategies are complicated to execute. Many require a significant investment in time and resources, and most campaigns require marketers to interface with a variety of internal teams, including technology, sales, agency resources and other online marketing channel managers.

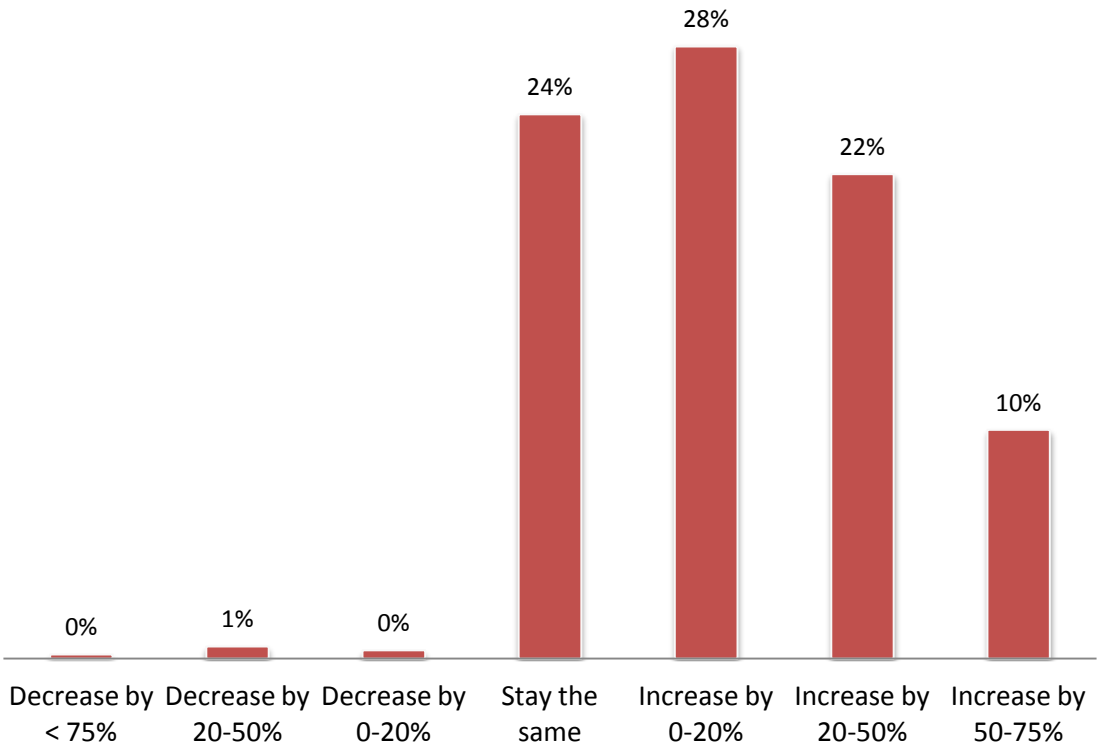
This bonus research section will provide you critical insight on how website optimization projects impact marketers, and their daily work lives, through charts containing data that answers the following:

- Are website optimization budgets growing?
- Who owns the website optimization process?
- How do marketers manage their website optimization projects?
- What factors drive website optimization test design?
- Are marketers tracking test validity?
- How do analytics inform website optimization projects?
- What is the relationship between IT and marketing?
- How do agencies approach website optimization?
- Where do marketers turn for information on website optimization?

ARE WEBSITE OPTIMIZATION BUDGETS GROWING?

Chart 4.01: Marketer forecasts for optimization budget growth in 2012

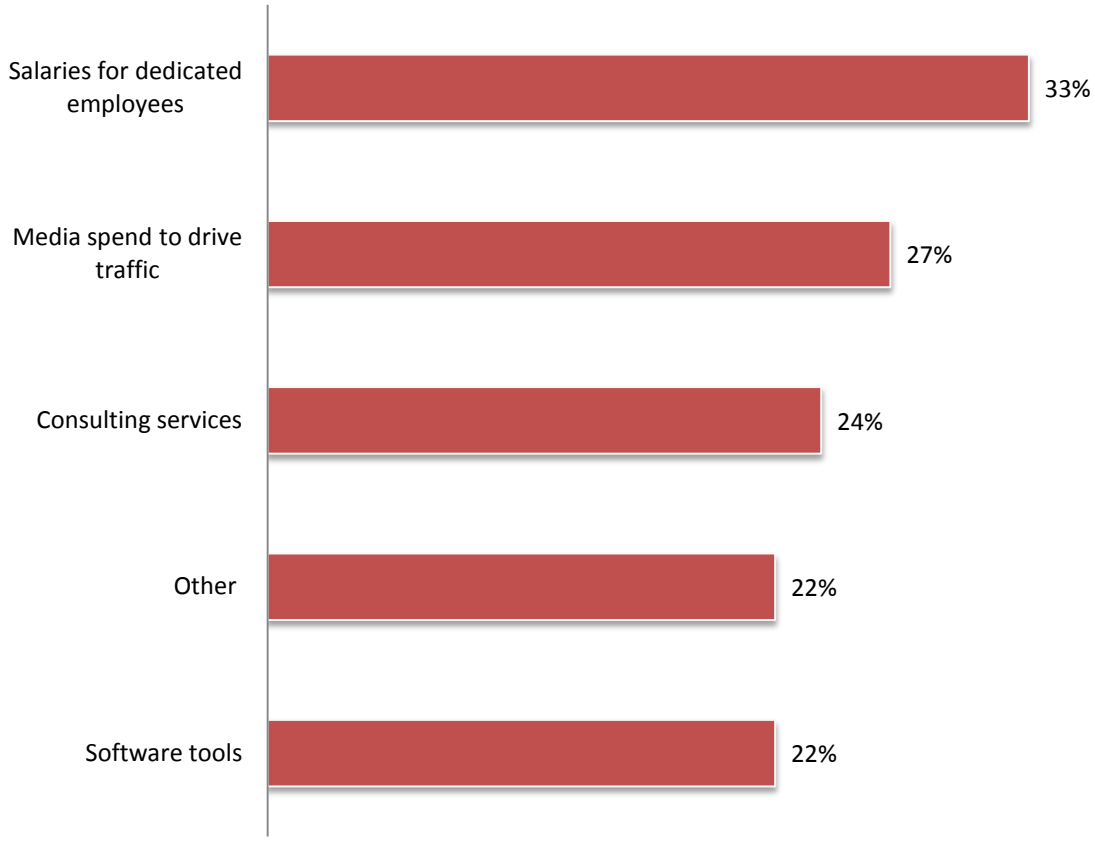
Q. In 2012, do you expect your organization's investment in website optimization to:



Source: ©2011 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,530

Chart 4.02: Average optimization budget allocations for 2012

Q. Where does your organization expect to spend its optimization budget in 2012?

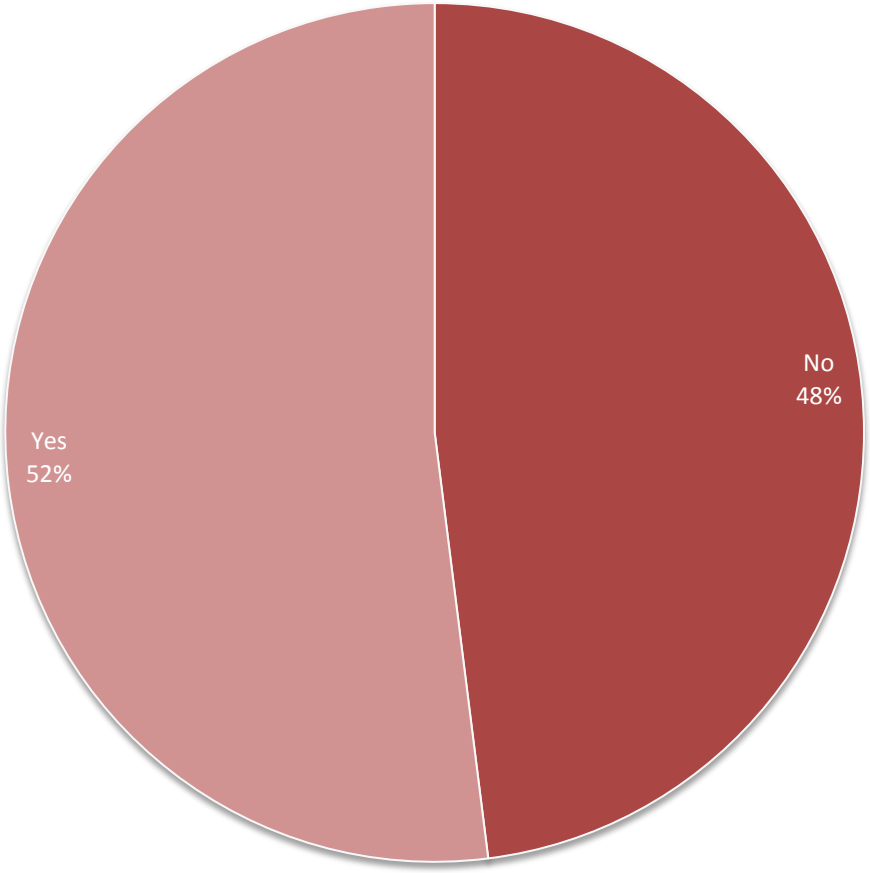


Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2,307

HOW DO MARKETERS MANAGE THEIR WEBSITE OPTIMIZATION PROJECTS?

Chart 4.03: Website optimization project completion

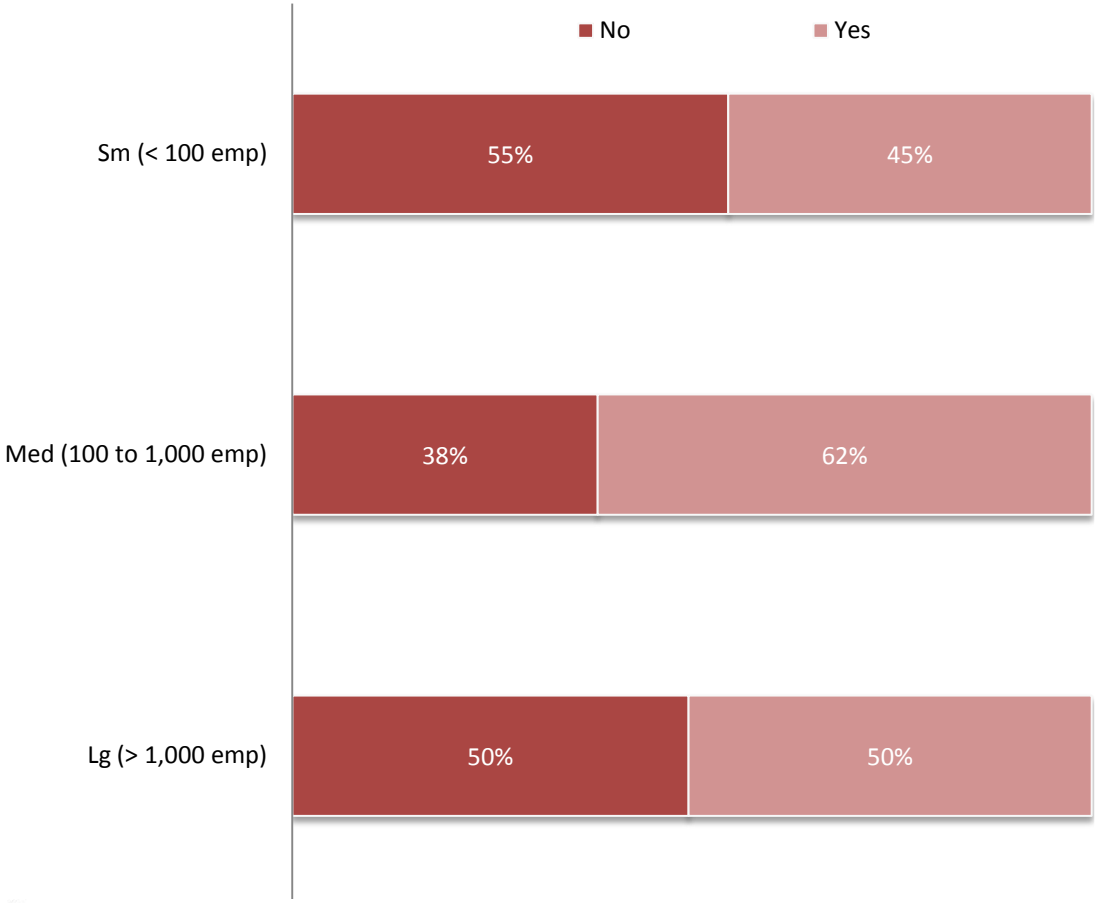
Q. Did your organization complete a website optimization project in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=527

Chart 4.04: Website optimization project completion, by company size

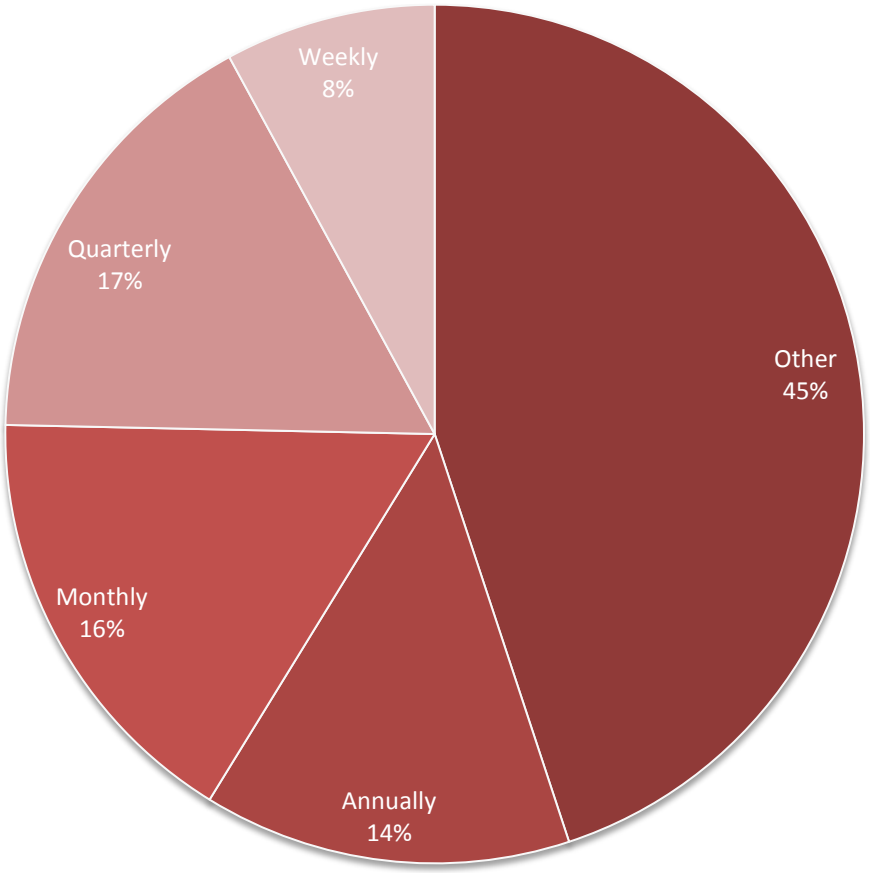
Q. Did your organization complete a website optimization project in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=520

Chart 4.05: Standard optimization project completion rates

Q. How frequently does your organization complete an optimization test?

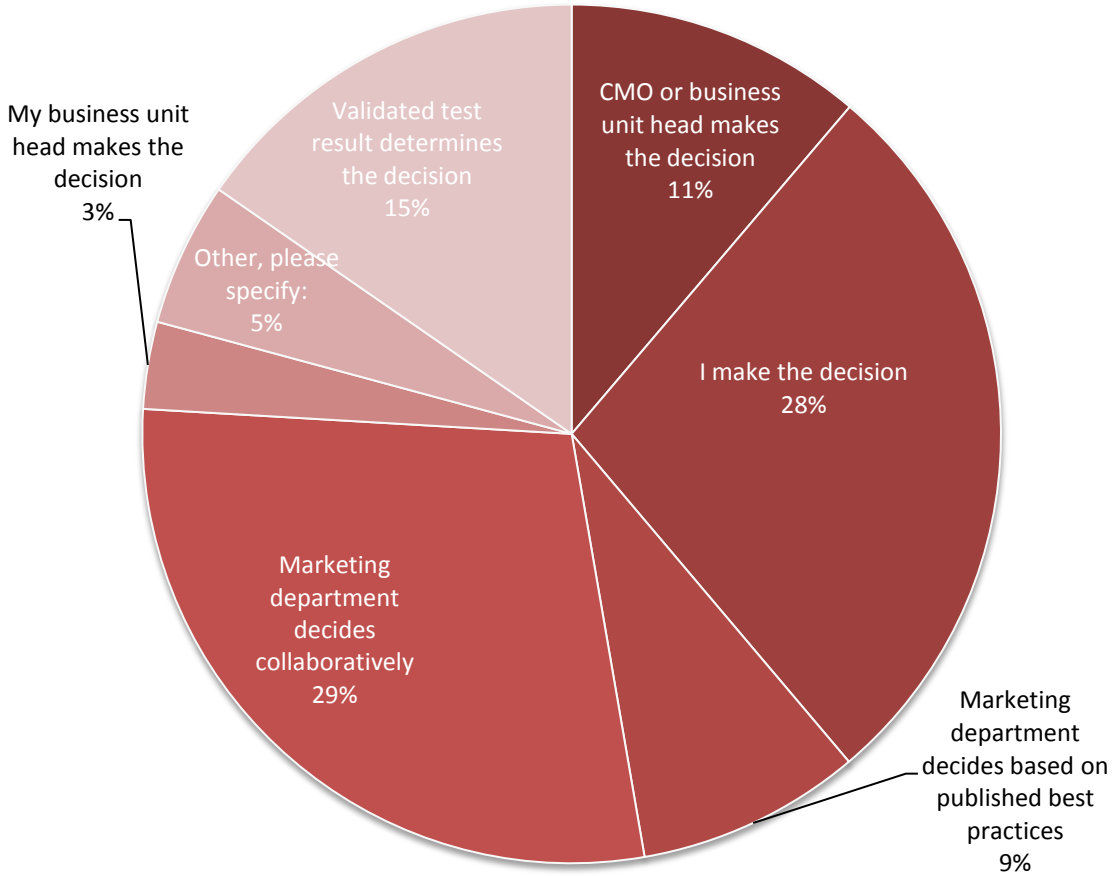


Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=592

WHO OWNS THE WEBSITE OPTIMIZATION PROCESS?

Chart 4.06: Website optimization decision-making processes

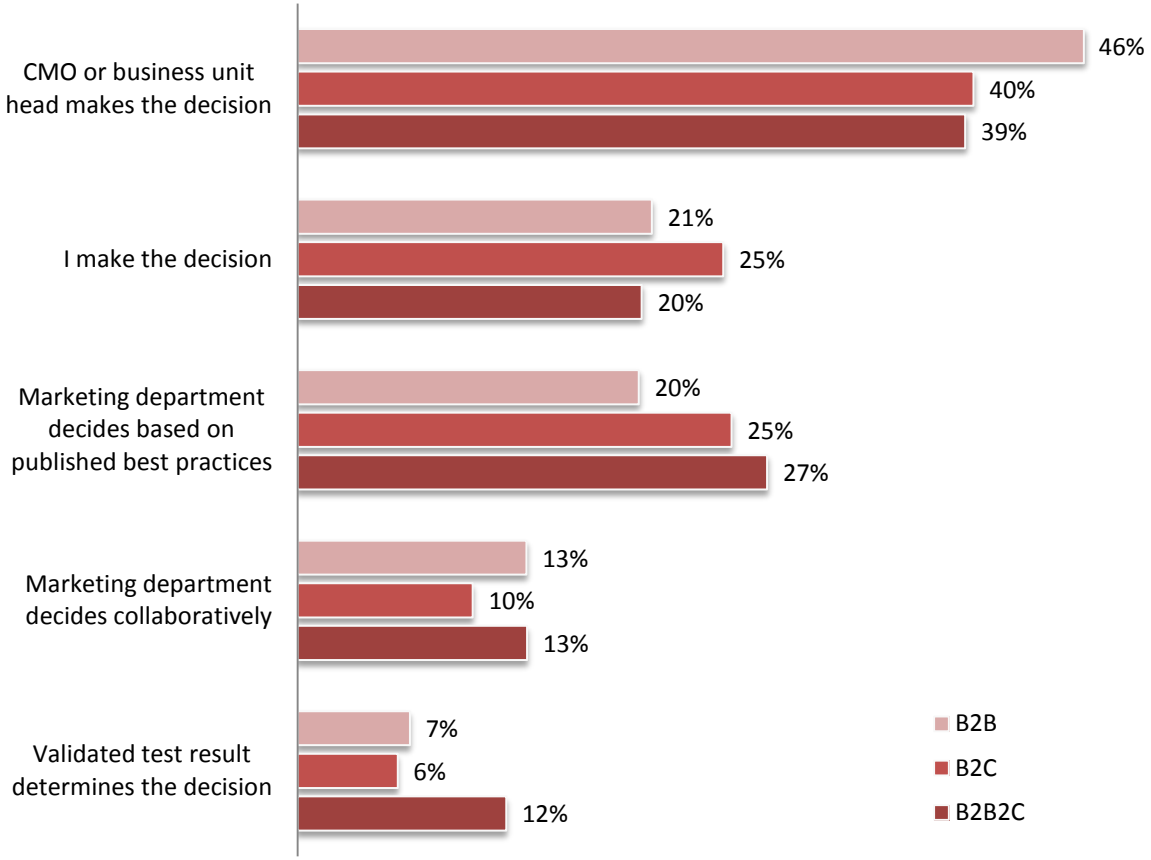
Q. For CMOs: In your organization, how do you make the final decision regarding which version of a page/process should be uploaded to your live site?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,409

Chart 4.07: Website optimization decision-making processes, by channel

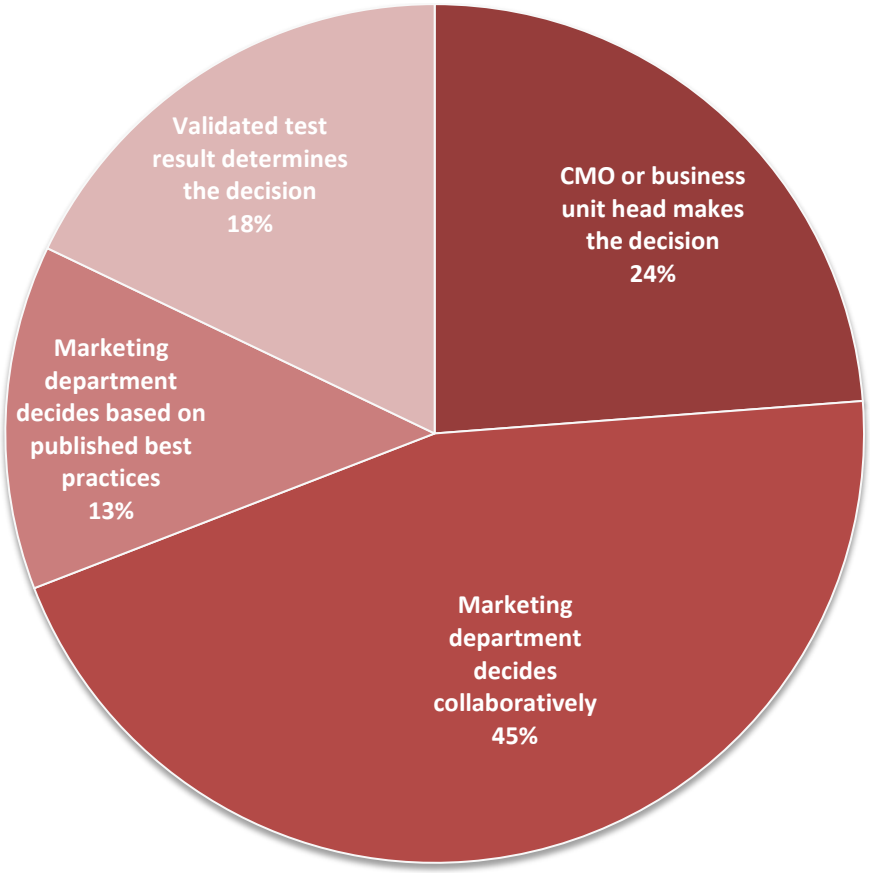
Q. For CMOs: In your organization, how do you make the final decision regarding which version of a page/process should be uploaded to your live site?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 765

Chart 4.08: Website optimization decision-making processes (non-CMO respondents)

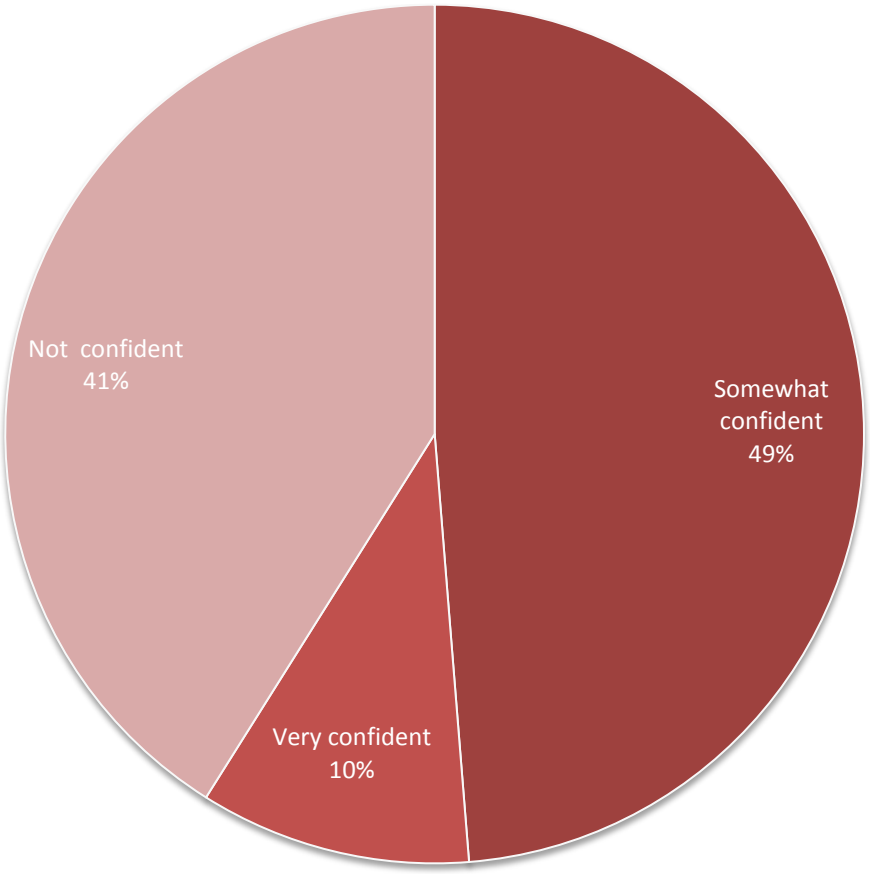
Q. For non-CMOs and managers: In your organization, how do you make the final decision regarding which version of a page/process should be uploaded to your live site?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=547

Chart 4.09: Marketer confidence in test design objectivity

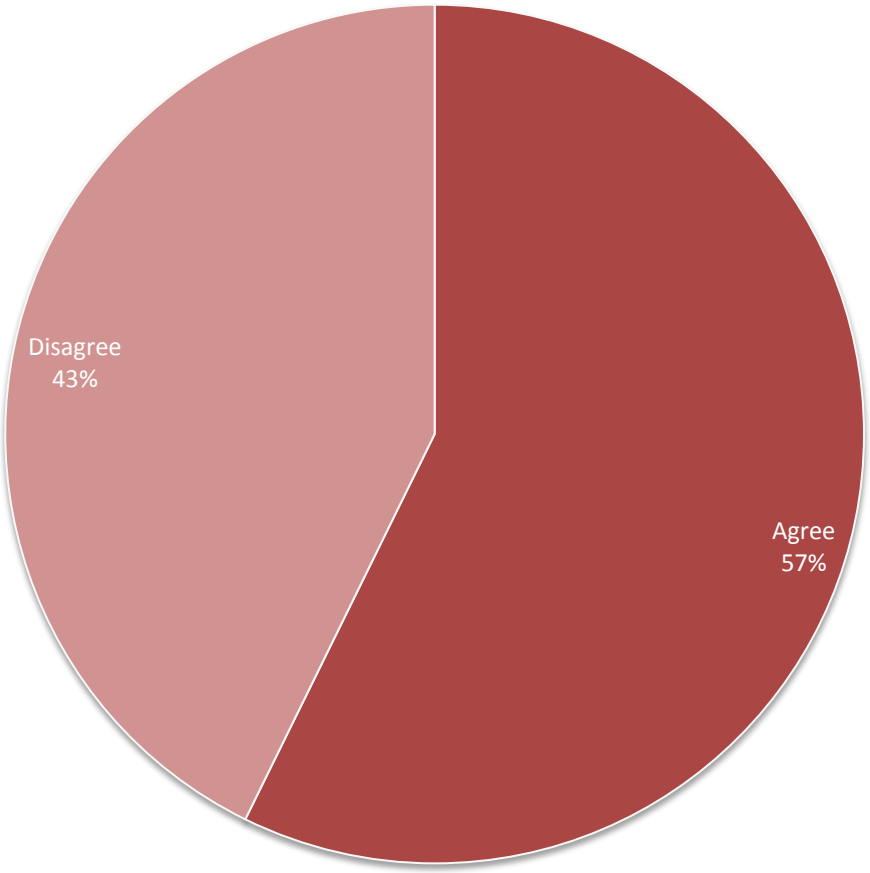
Q. How confident are you that your organization's website optimization test designs are objective?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,307

Chart 4.10: Influence of individual opinions on optimization tests

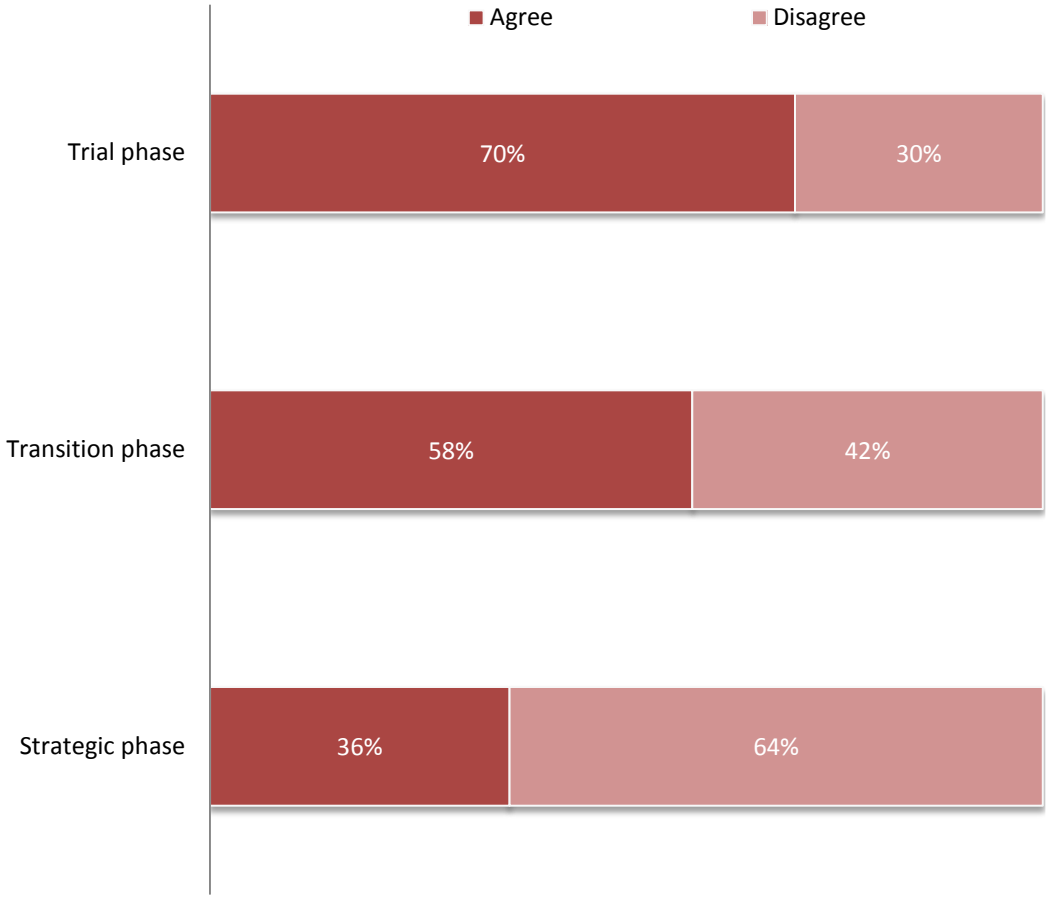
Q. Our organization's website optimization tests are unduly influenced by one individual's opinions.



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=447

Chart 4.11: Influence of individual opinions on optimization tests, by maturity level

Q. Our organization's website optimization tests are unduly influenced by one individual's opinions.

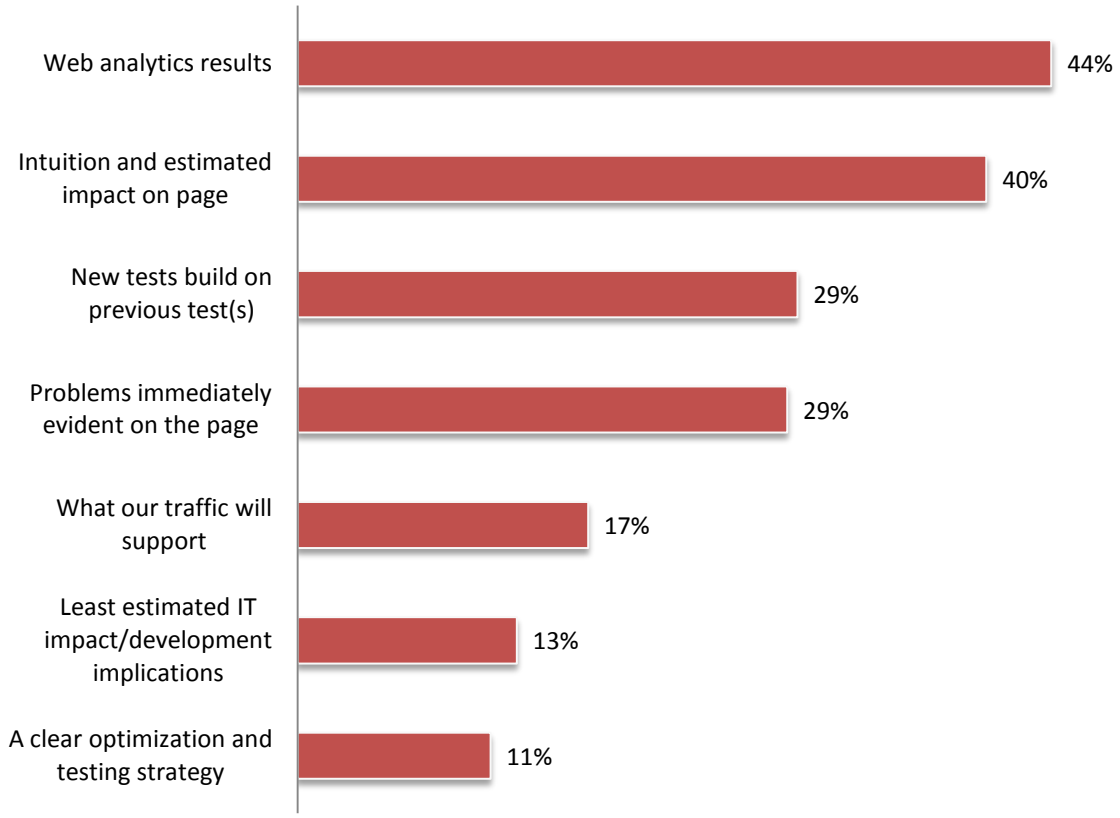


Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=441

WHAT FACTORS DRIVE WEBSITE OPTIMIZATION TEST DESIGN?

Chart 4.12: Factors that drive testing decisions

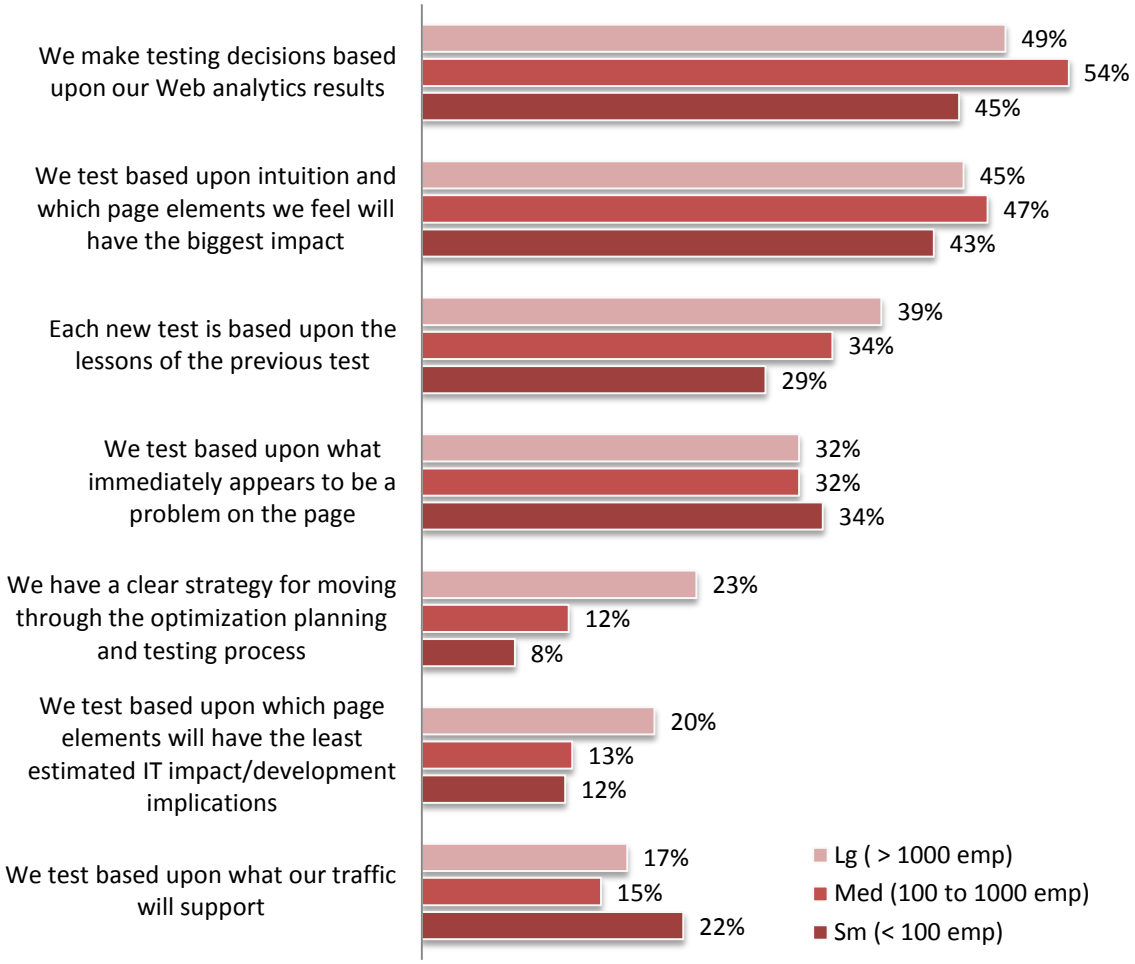
Q. What are the contributing factors for your organization when determining what to test?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,548

Chart 4.13: Factors that drive testing decisions, by company size

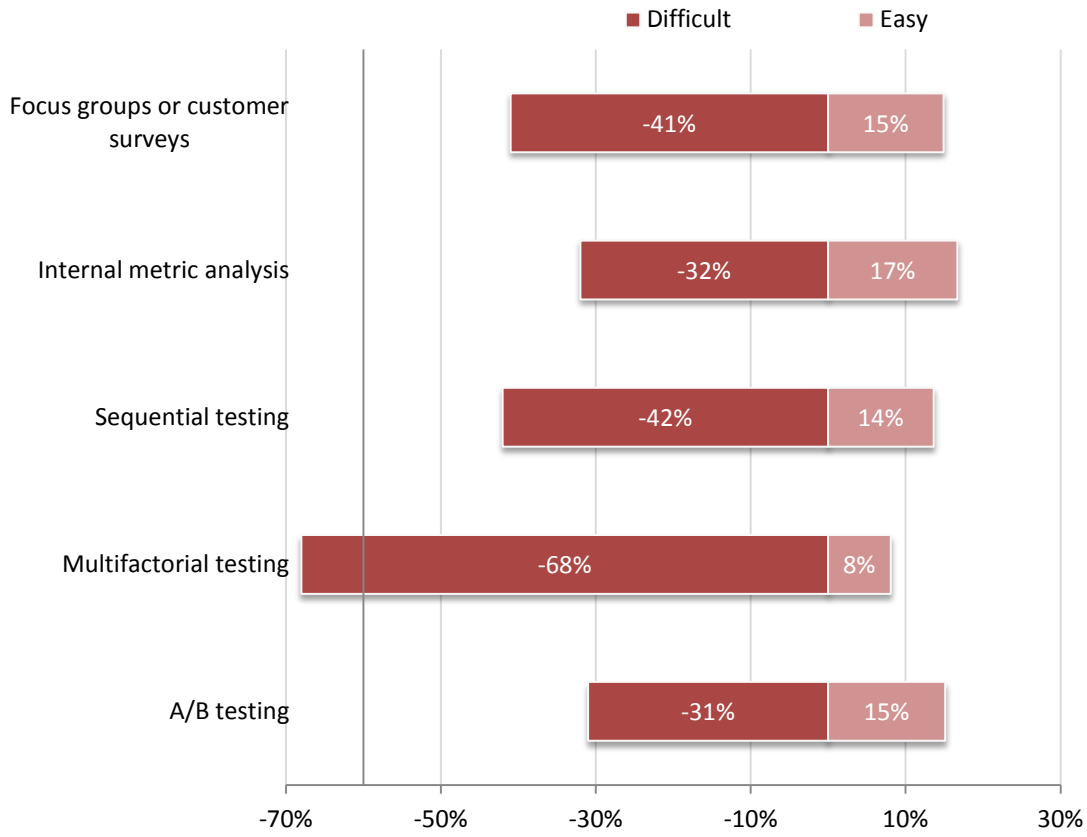
Q. What are the contributing factors for your organization when determining what to test?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 1,555

Chart 4.14: Difficulty of assessment methods

Q. Of the assessment methods employed by your company, please rate each in terms of DIFFICULTY:



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded april 2012, N=390

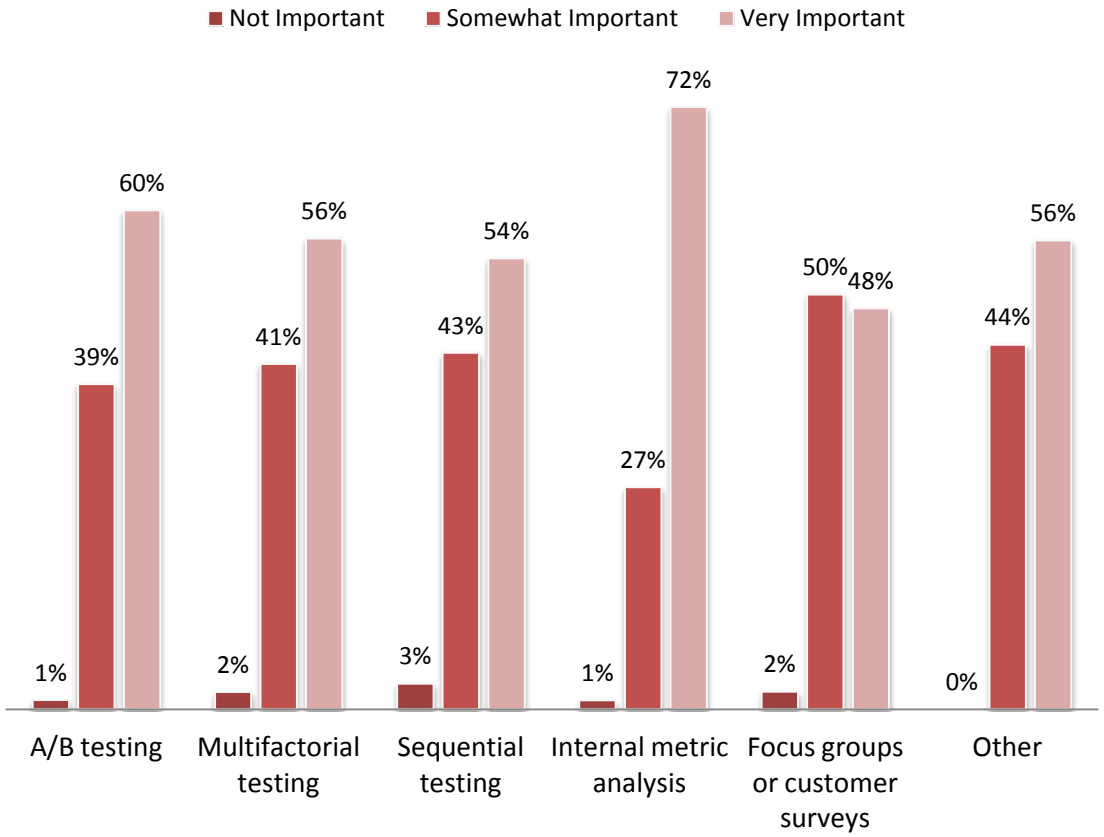
Chart 4.15: Difficulty of assessment methods, by company size

Q. Of the assessment methods employed by your company, please rate each in terms of DIFFICULTY (cut by MOST DIFFICULT):

Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 403

Chart 4.16: Importance of assessment methods

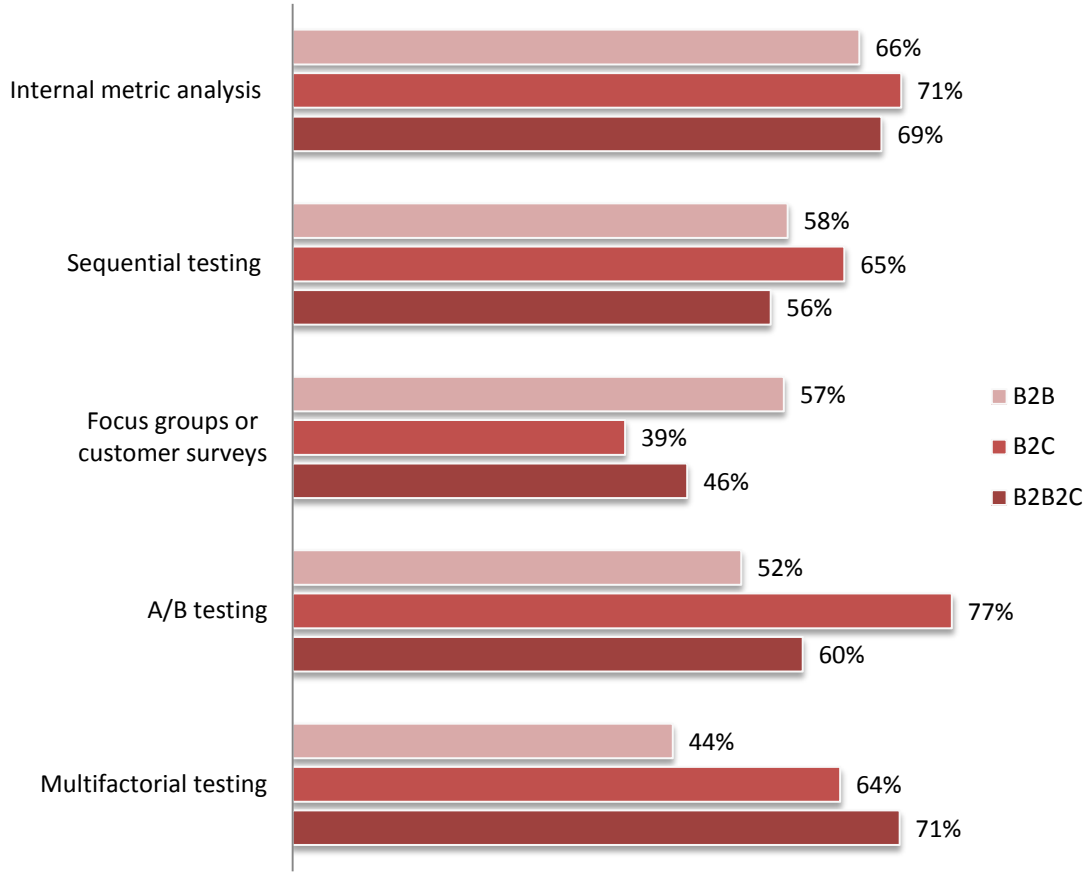
Q. Of the assessment methods employed by your company, please rate each in terms of IMPORTANCE:



Source: ©20112MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=469

Chart 4.17: Importance of assessment methods, by channel

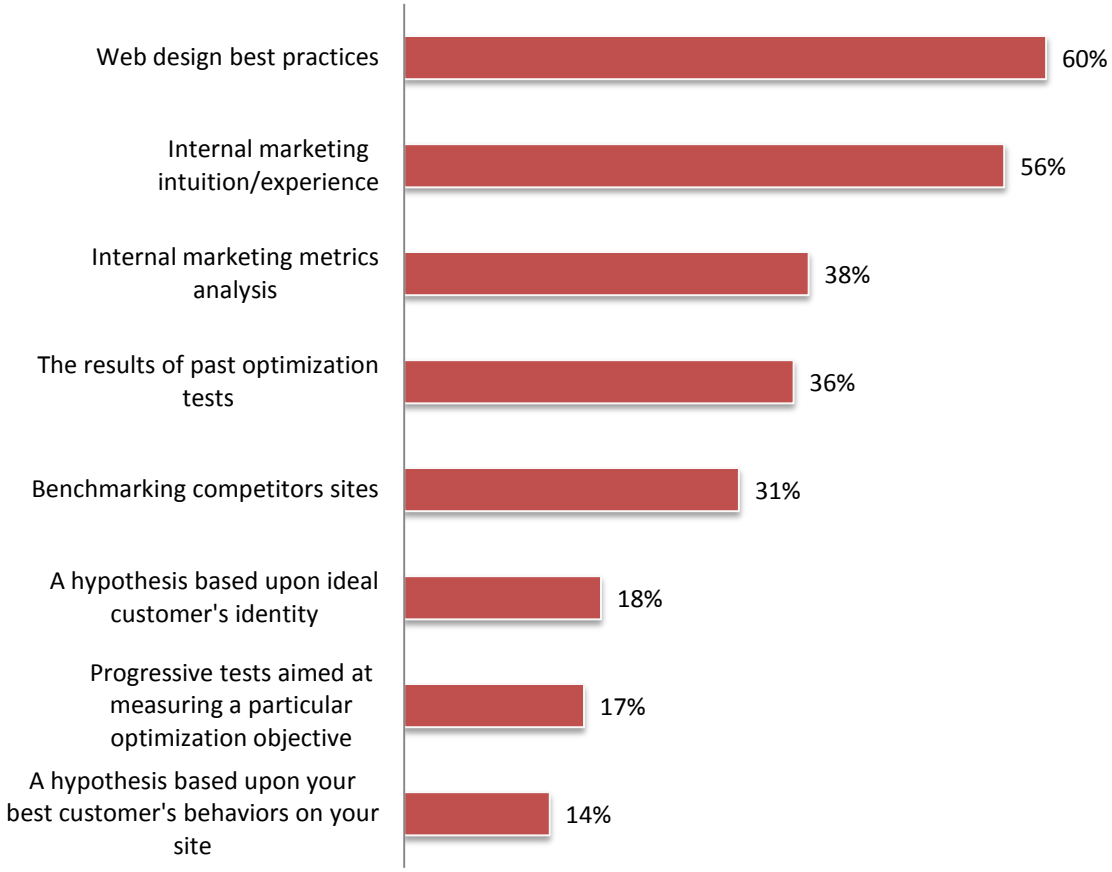
Q. Of the assessment methods employed by your company, please rate each in terms of IMPORTANCE:



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=642

Chart 4.18: Factors in designing optimization tests

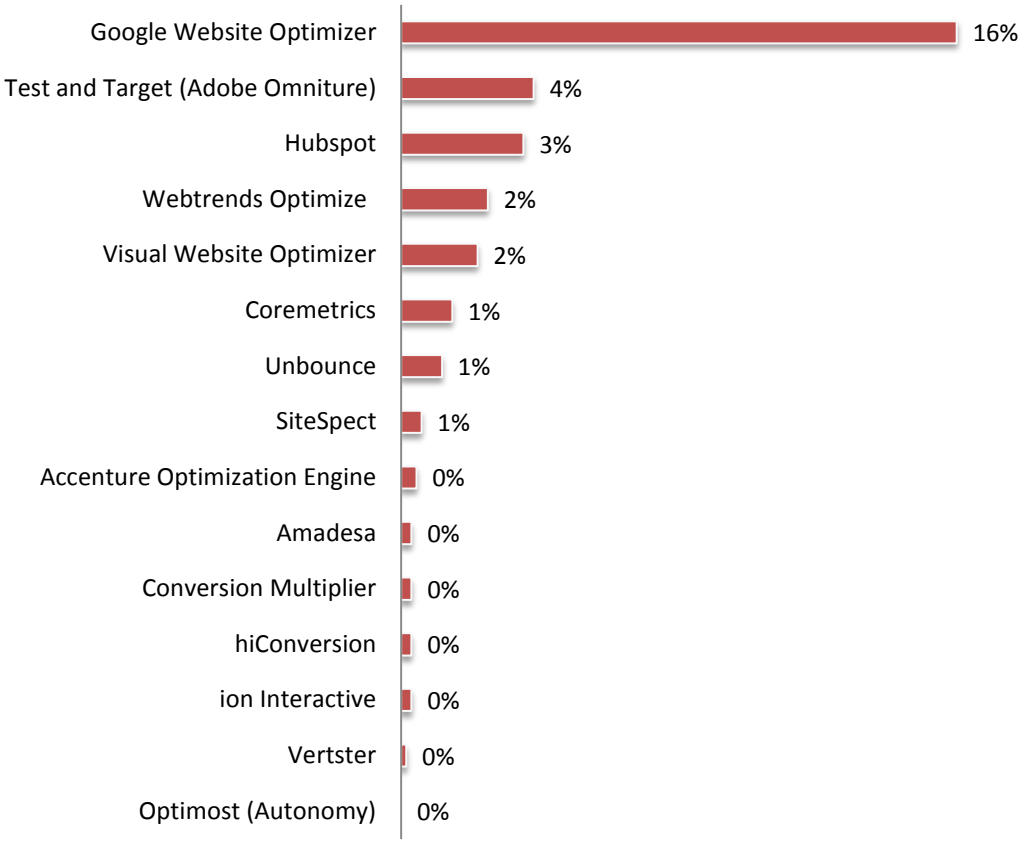
Q. What factors does your organization consider when designing an optimization test?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=659

Chart 4.19: Currently used testing and optimization tools

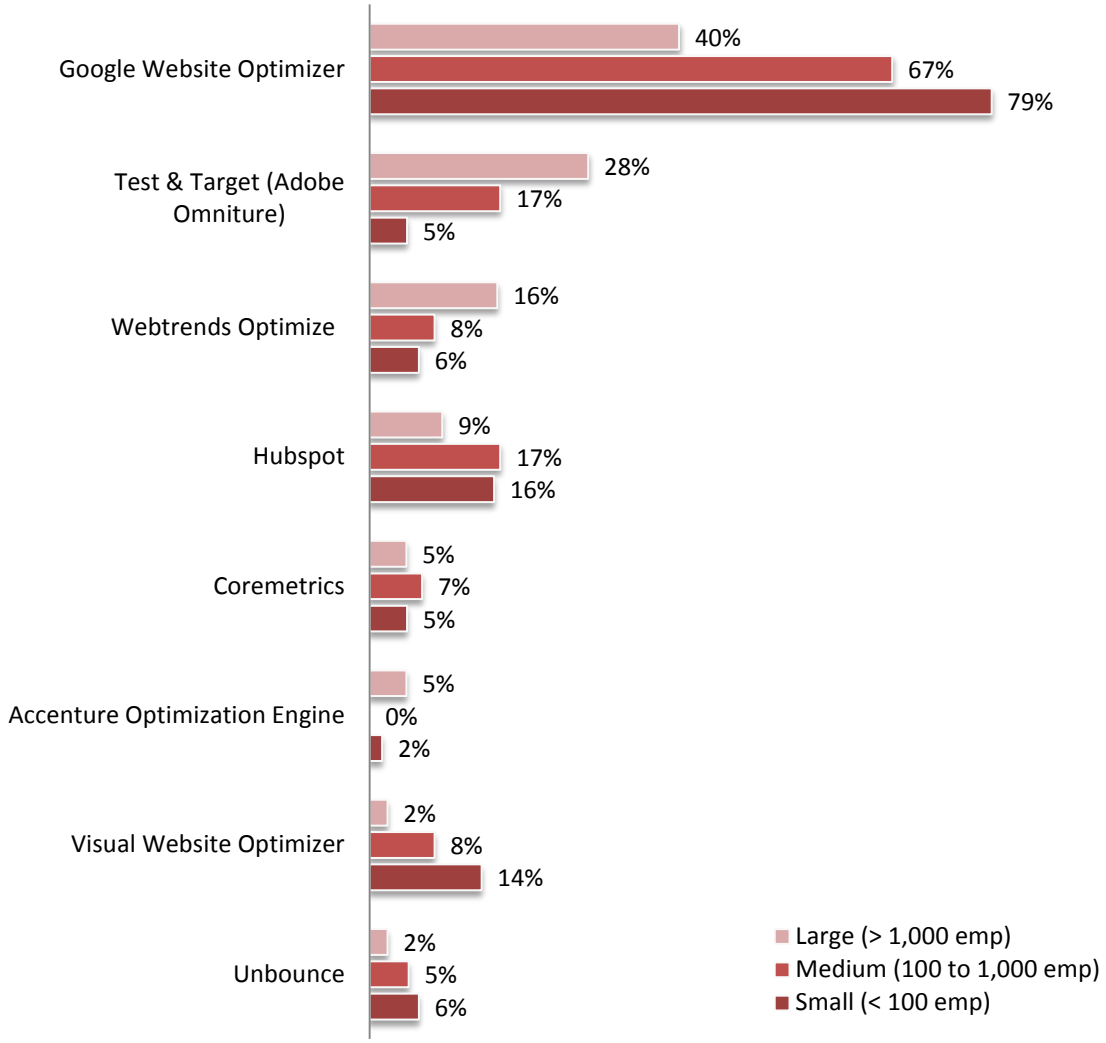
Q. Which of the following testing tools did your organization actively use in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=694

Chart 4.20: Currently used testing and optimization tools, by company size

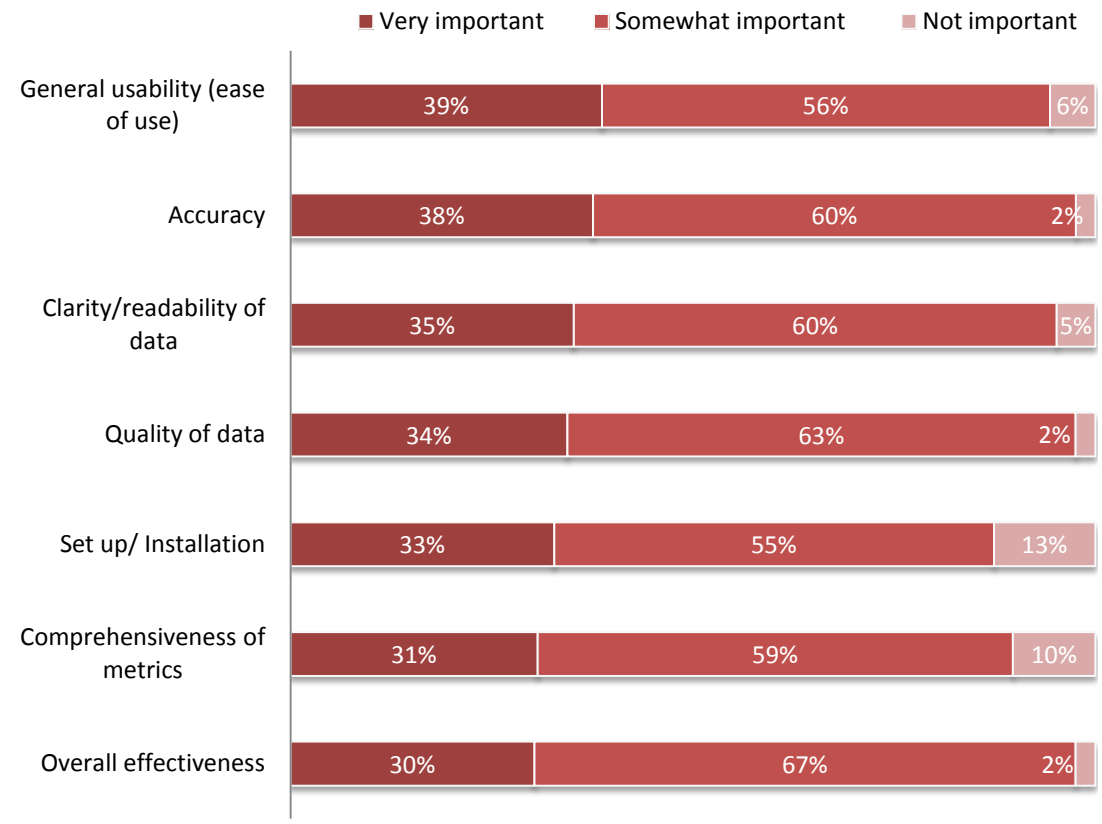
Q. Which of the following testing tools did your organization actively use in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 207

Chart 4.21: Features of commonly used testing tools

Q. Please rate each of the following features of the testing platform(s) your organization used in 2011 in terms of the following:

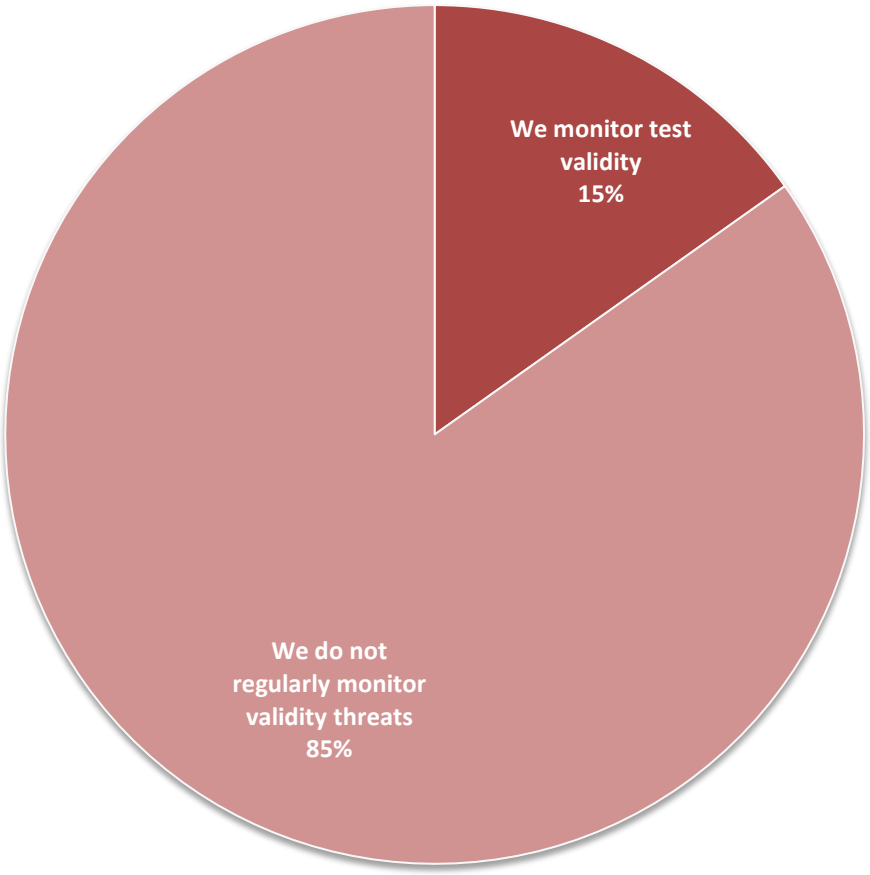


Source: ©20112MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2125

ARE MARKETERS TRACKING TEST VALIDITY?

Chart 4.22: Tracking optimization test validity

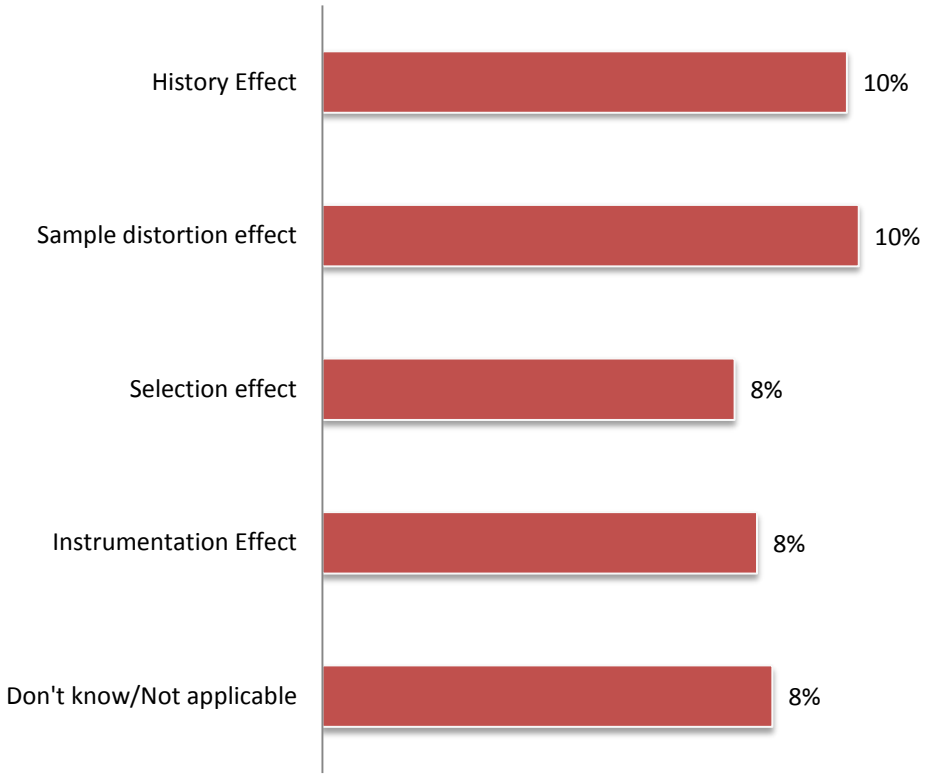
Q. Which test validity threats does your organization regularly monitor?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,416

Chart 4.23: Tracking most-common validity threats

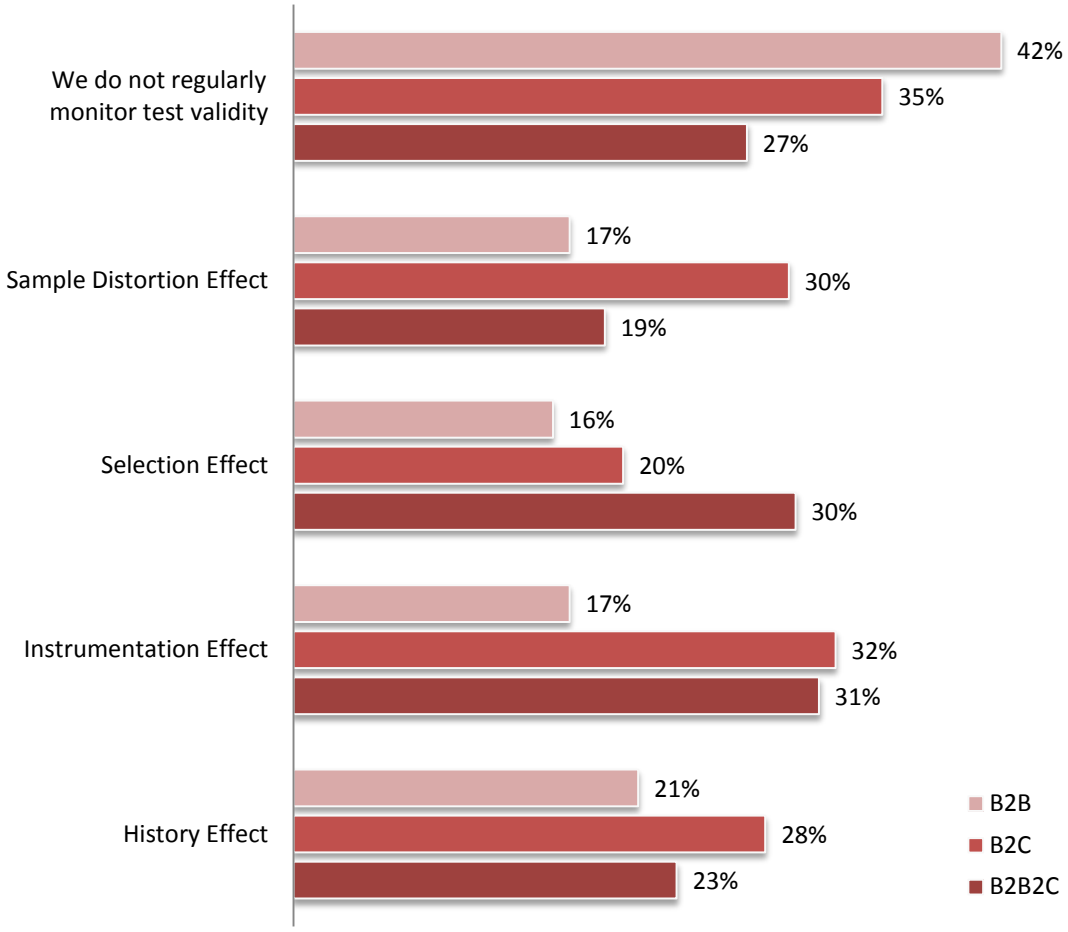
Q. Which test validity threats does your organization regularly monitor?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,416

Chart 4.24: Tracking most-common validity threats, by channel

Q. Which test validity threats does your organization regularly monitor?

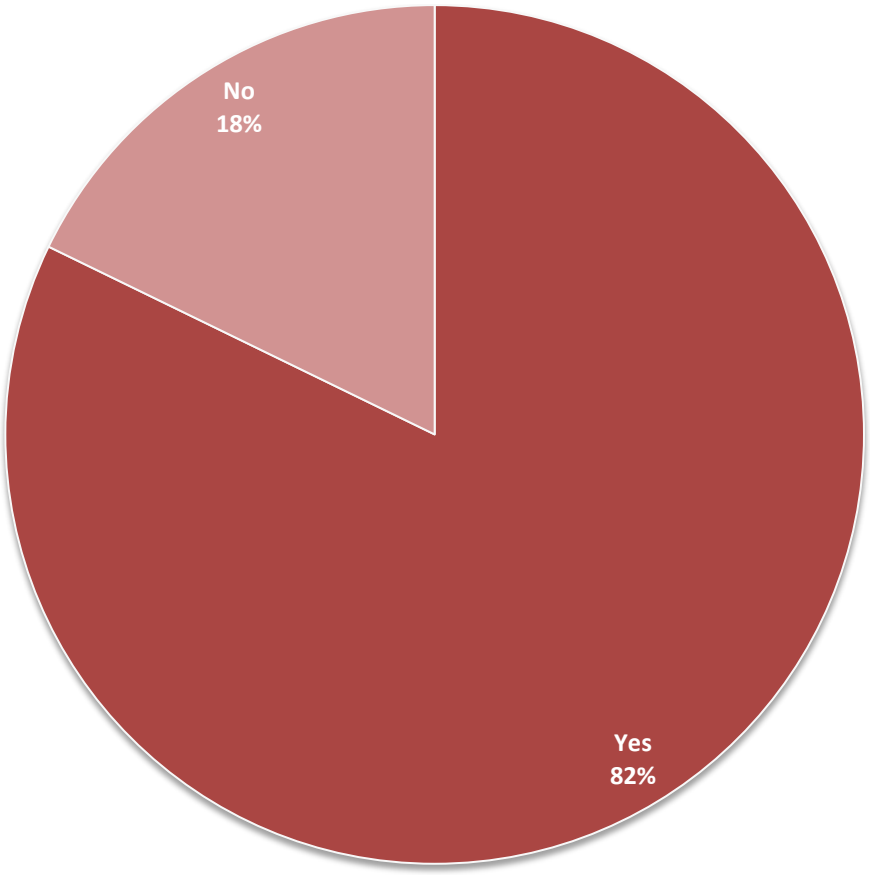


Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 302

HOW DO ANALYTICS INFORM WEBSITE OPTIMIZATION PROJECTS?

Chart 4.25: Measurement of website optimization effectiveness

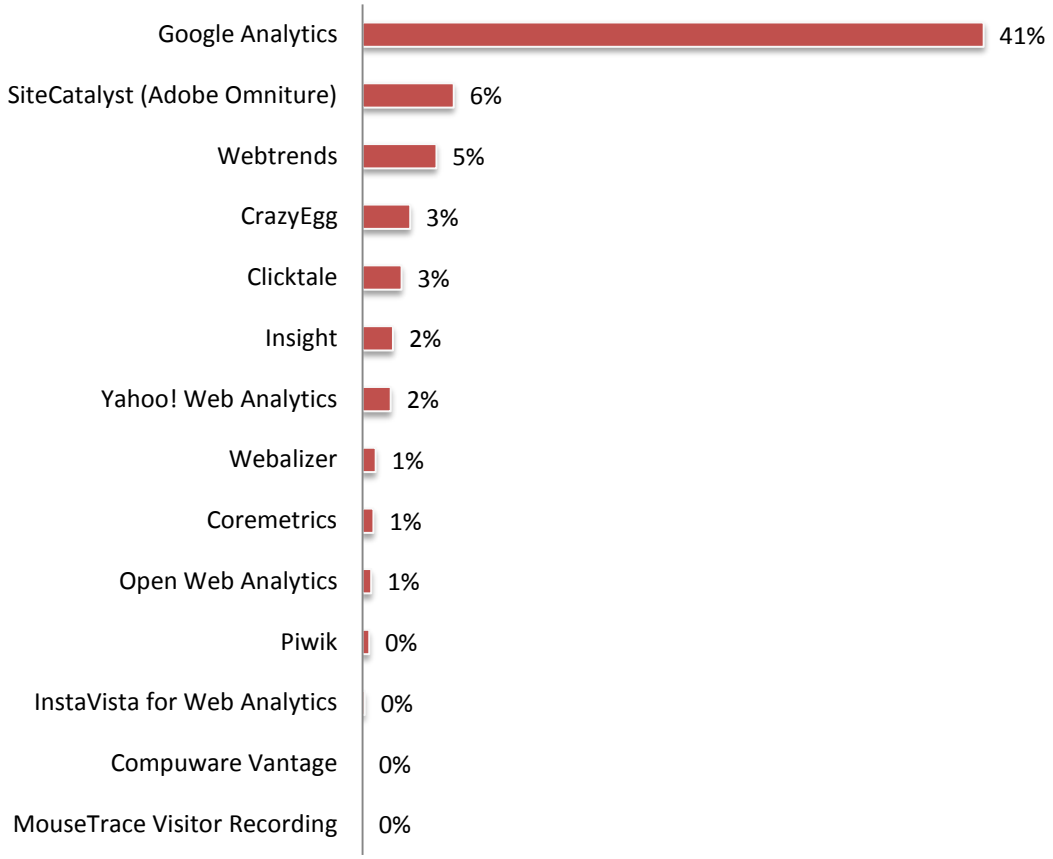
Q. Are there metrics your organization does NOT monitor, only because they are not set up properly?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=641

Chart 4.26: Paid analytics tools used by marketers in 2011

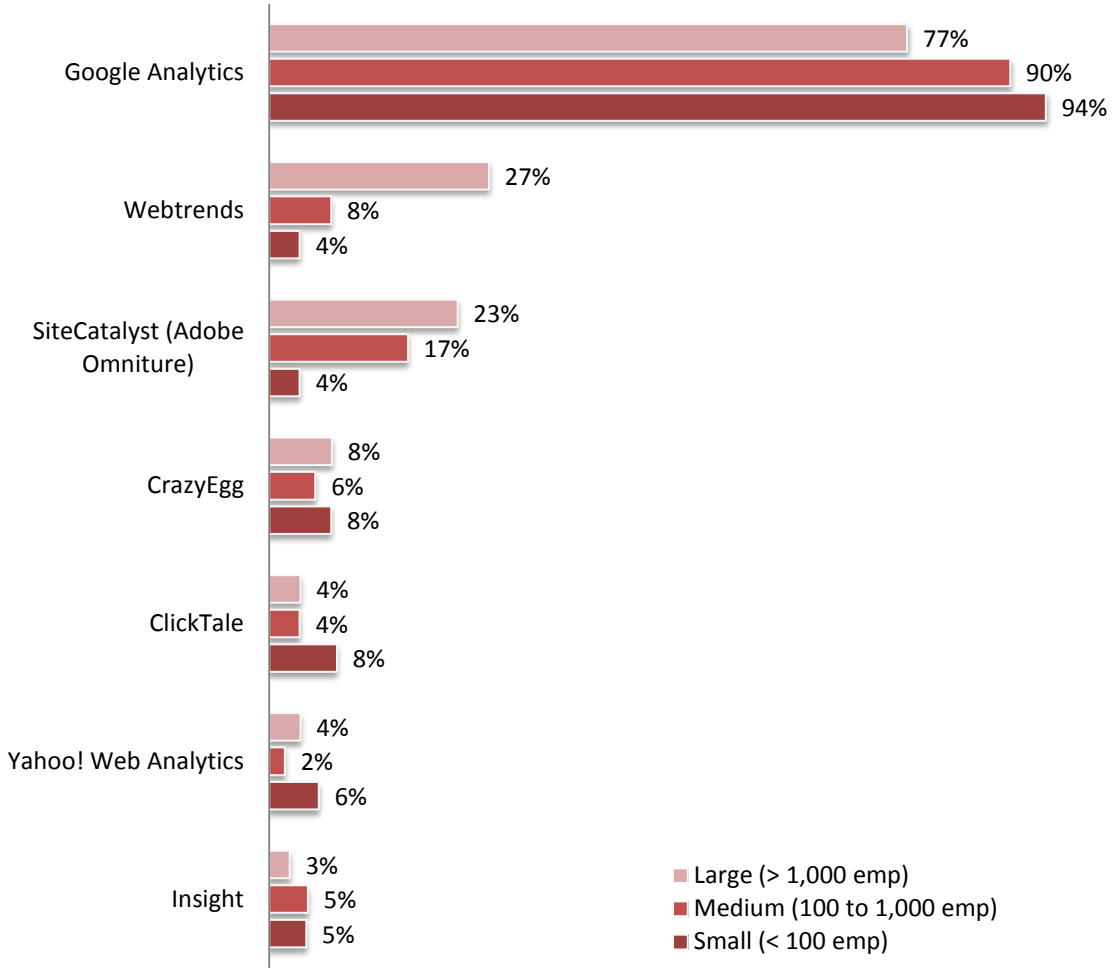
Q. Which of the following Web analytics tools did your organization actively use in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=698

Chart 4.27: Paid analytics tools used by marketers in 2011, by company size

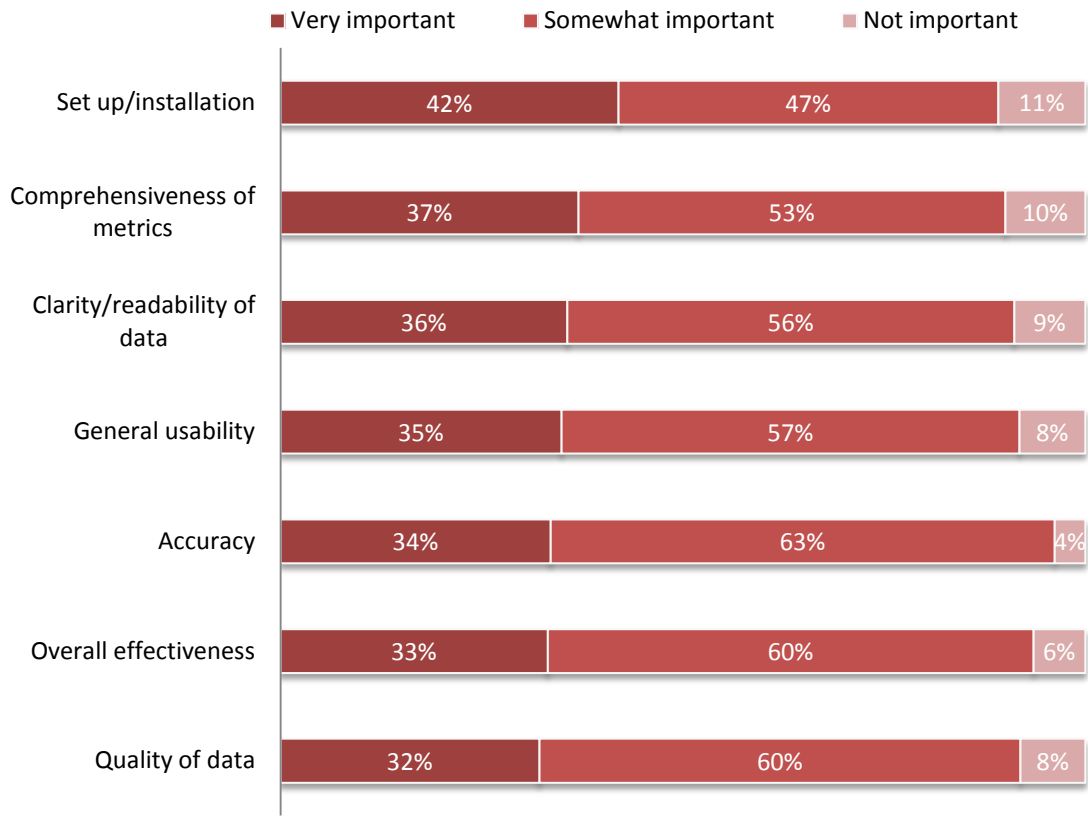
Q. Which of the following Web analytics tools did your organization actively use in 2011?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 424

Chart 4.28: Marketers' ratings of data accuracy and quality

Q. Please rate each of the following features of the Web analytics programs your organization used in 2011 in terms of the following:

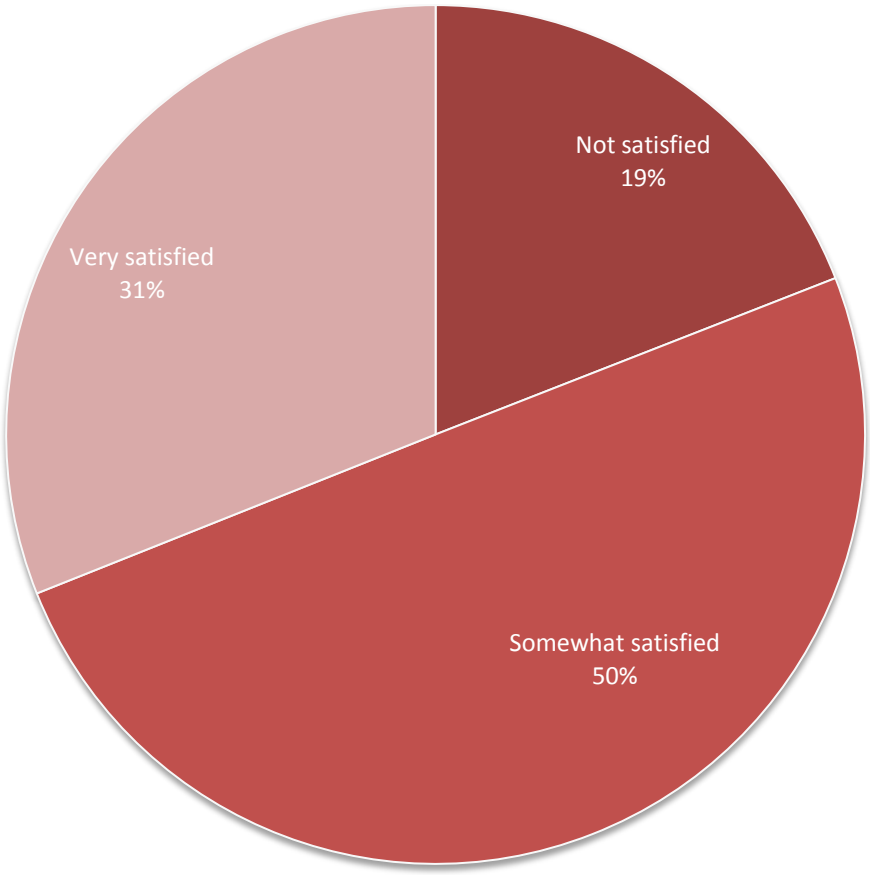


Source: ©20112MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=250

WHAT IS THE RELATIONSHIP BETWEEN IT AND MARKETING?

Chart 4.29: Marketing's relationship with IT

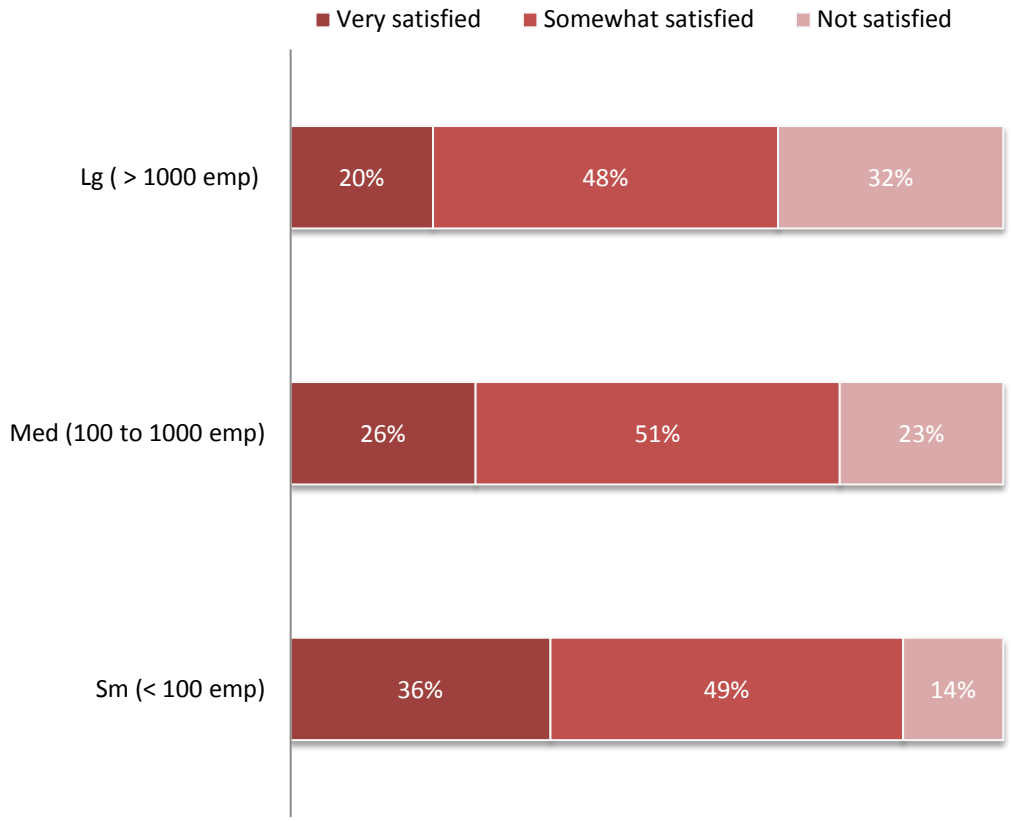
Q. Are you satisfied with your team's relationship with your IT department?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,350

Chart 4.30: Marketing's relationship with IT, by company size

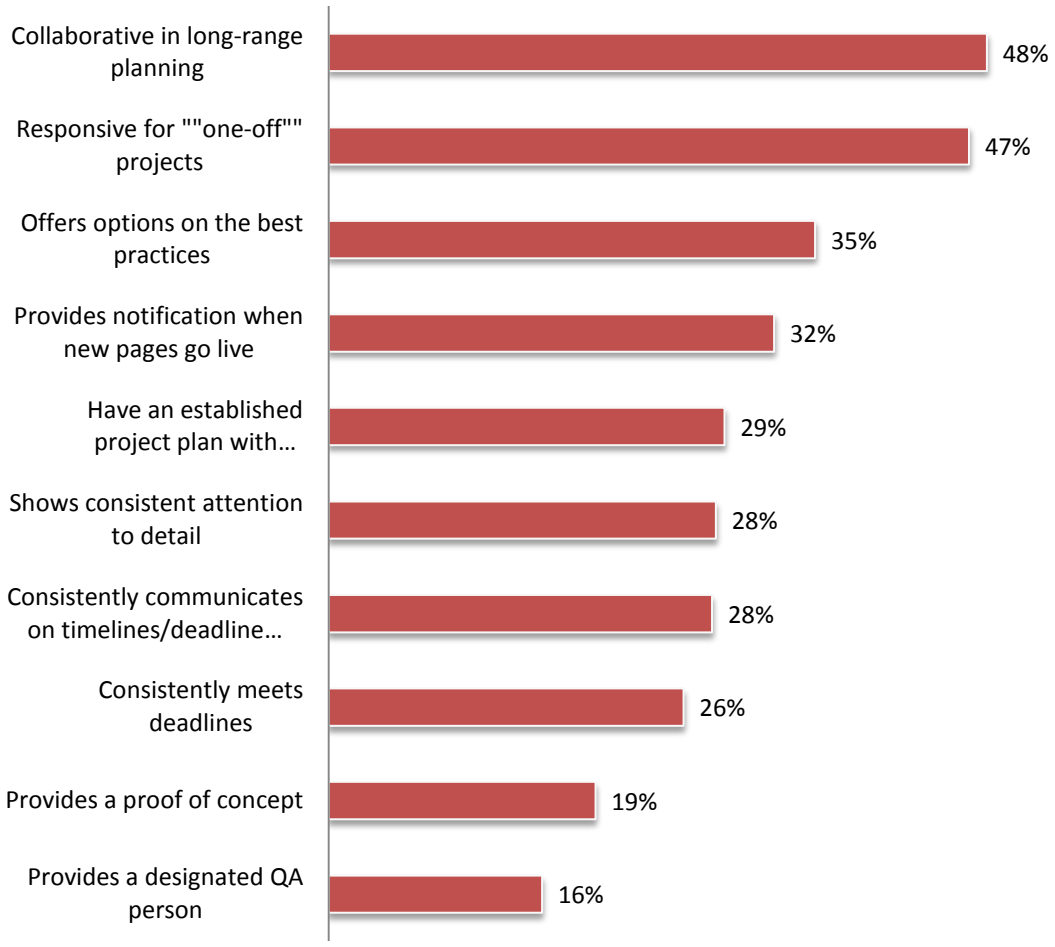
Q. Are you satisfied with your team's relationship with your IT department?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 940

Chart 4.31: Elements of positive Marketing-IT relationships

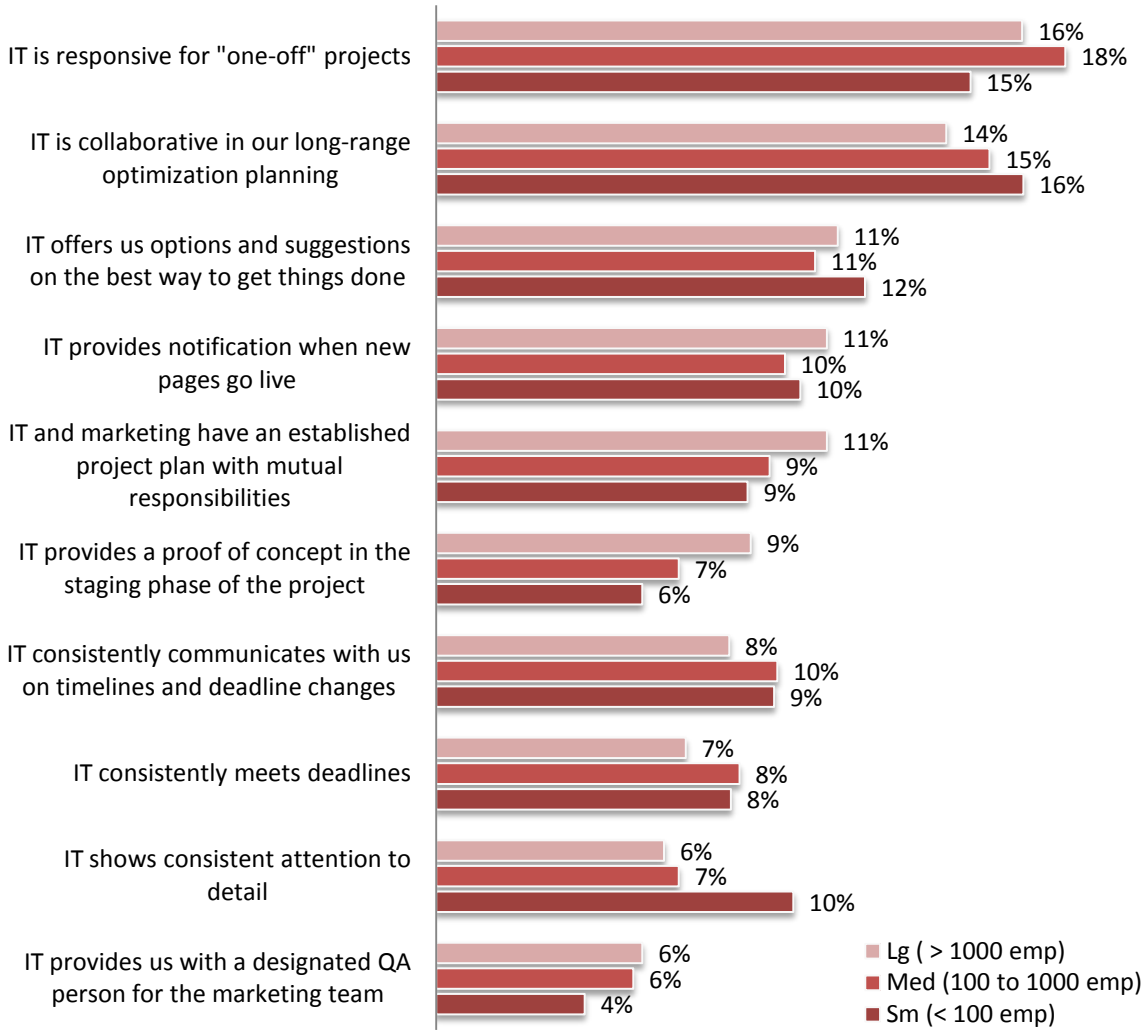
Q. Please indicate which of the following scenarios, if any, are characteristic of your organization's positive relationship with IT:



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,107

Chart 4.32: Elements of positive Marketing-IT relationships, by company size

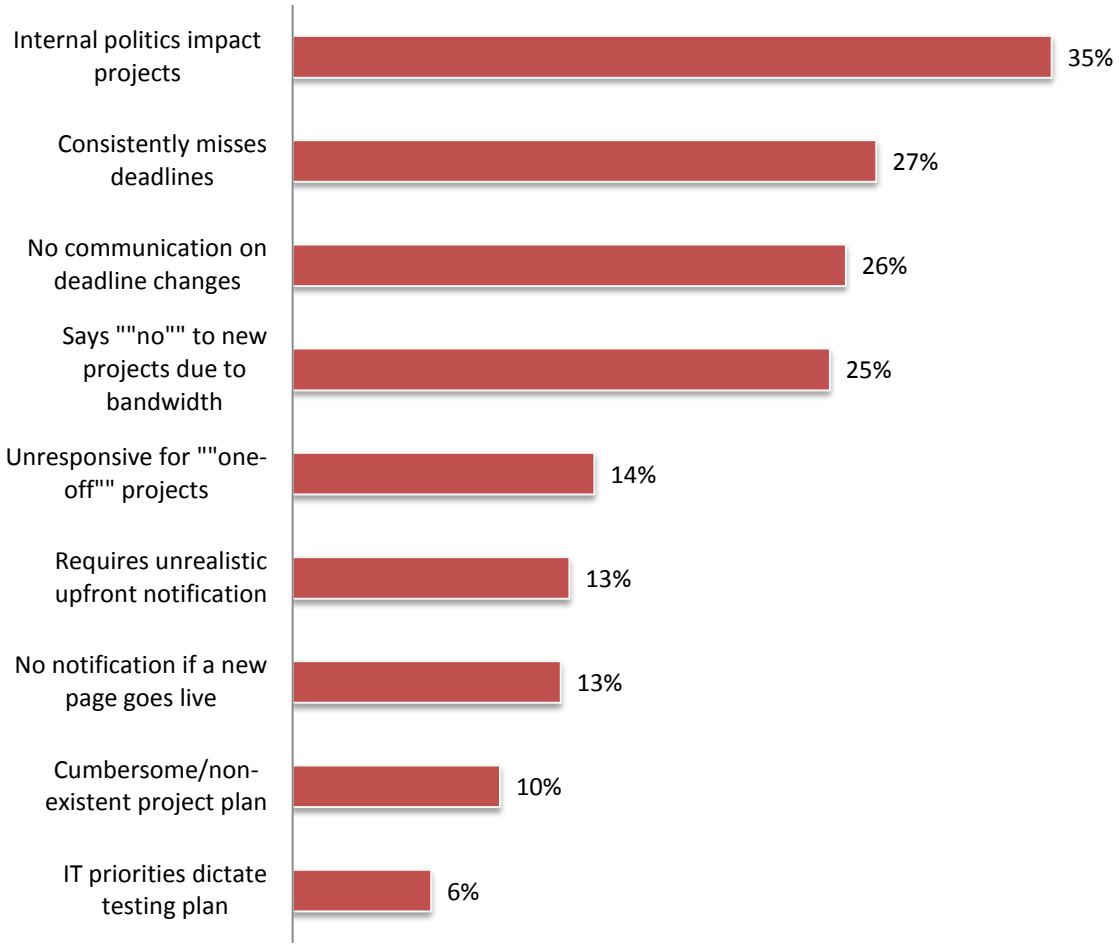
Q. Please indicate which of the following scenarios, if any, are characteristic of your organization's positive relationship with IT:



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 1,107

Chart 4.33: Symptoms of negative Marketing-IT relationships

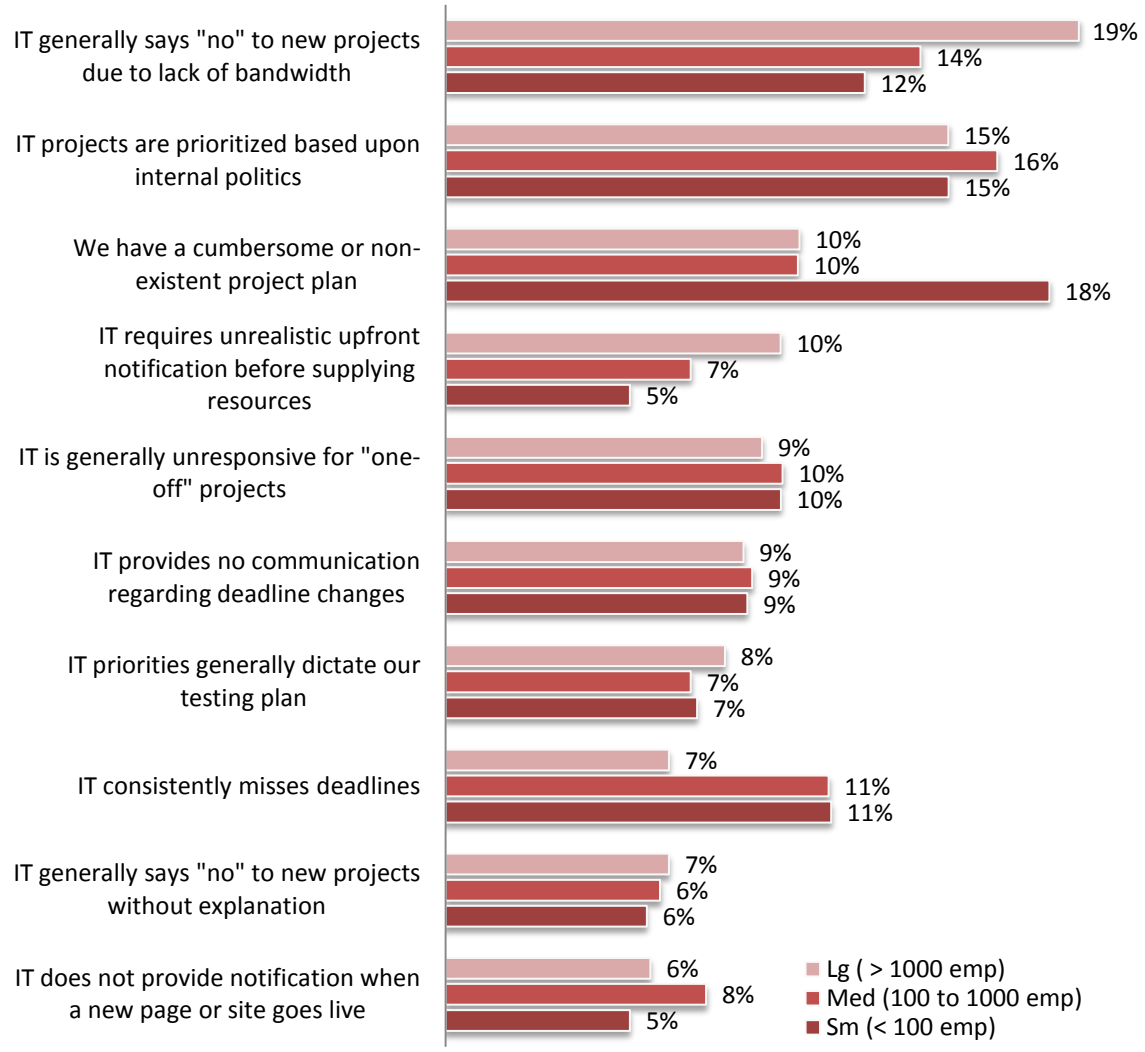
Q. Please indicate which of the following (if any) are characteristic of your organization's unsatisfactory relationship with IT:



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=242

Chart 4.34: Symptoms of negative Marketing-IT relationships, by company size

Q. Please indicate which of the following (if any) are characteristic of your organization's unsatisfactory relationship with IT:

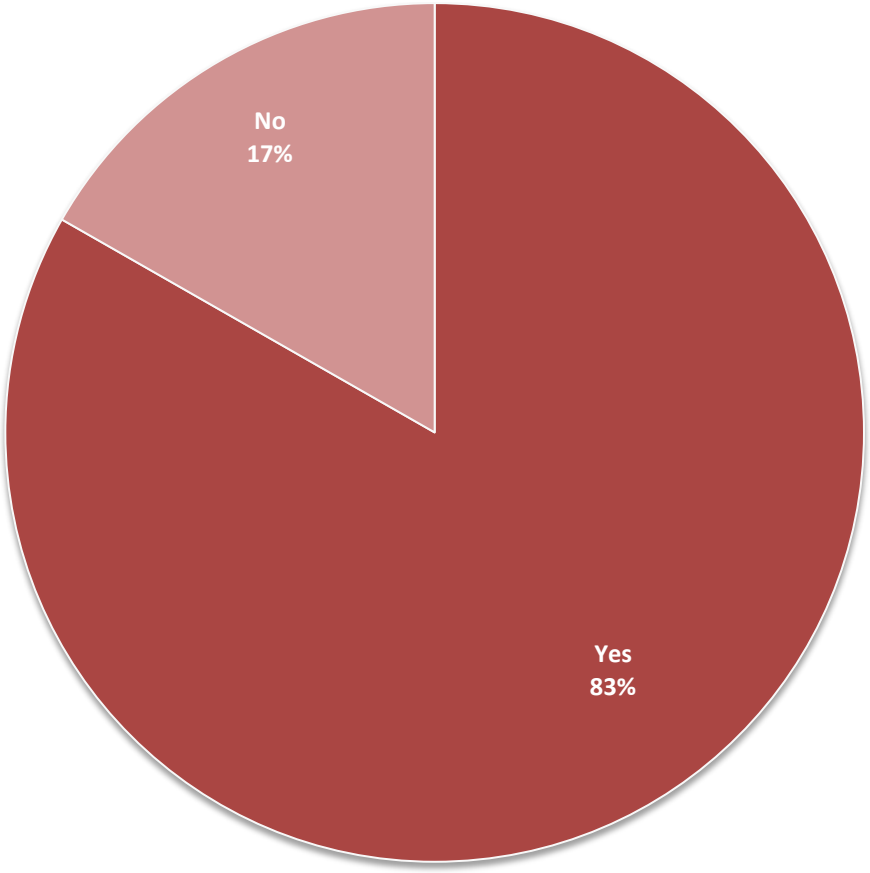


Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N= 602

HOW DO AGENCIES APPROACH WEBSITE OPTIMIZATION?

Chart 4.35: Agency involvement in website optimization

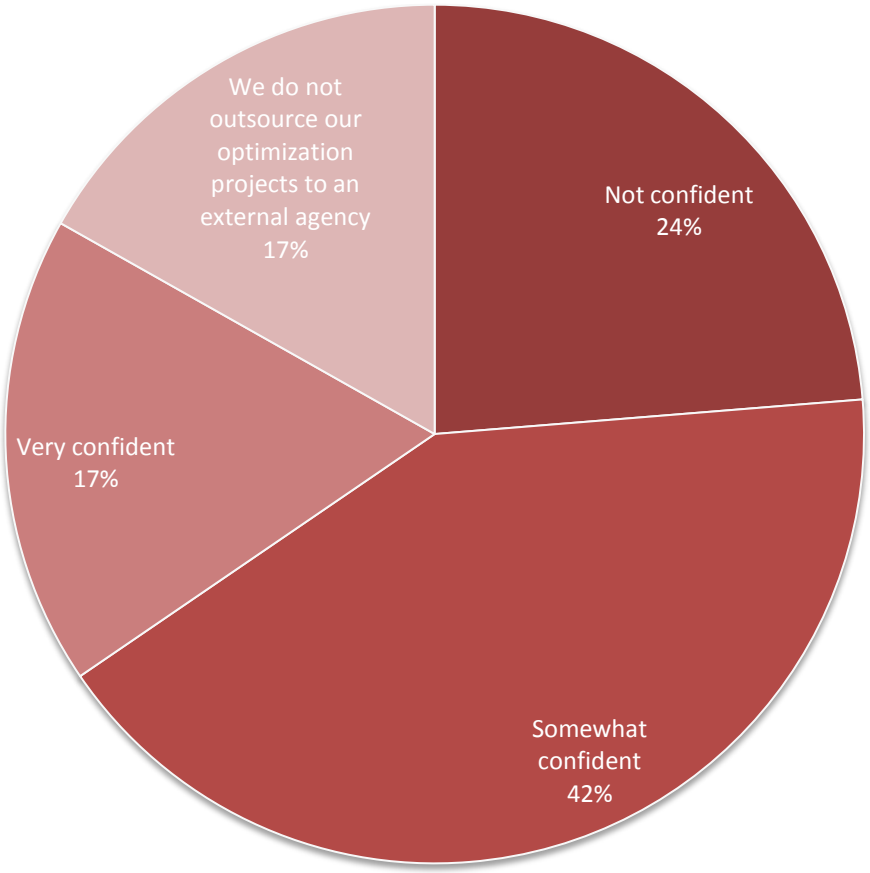
Q. How confident are you that your marketing agency understands the core principles of optimization?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=896

Chart 4.36: Companies' perception of agency website optimization expertise

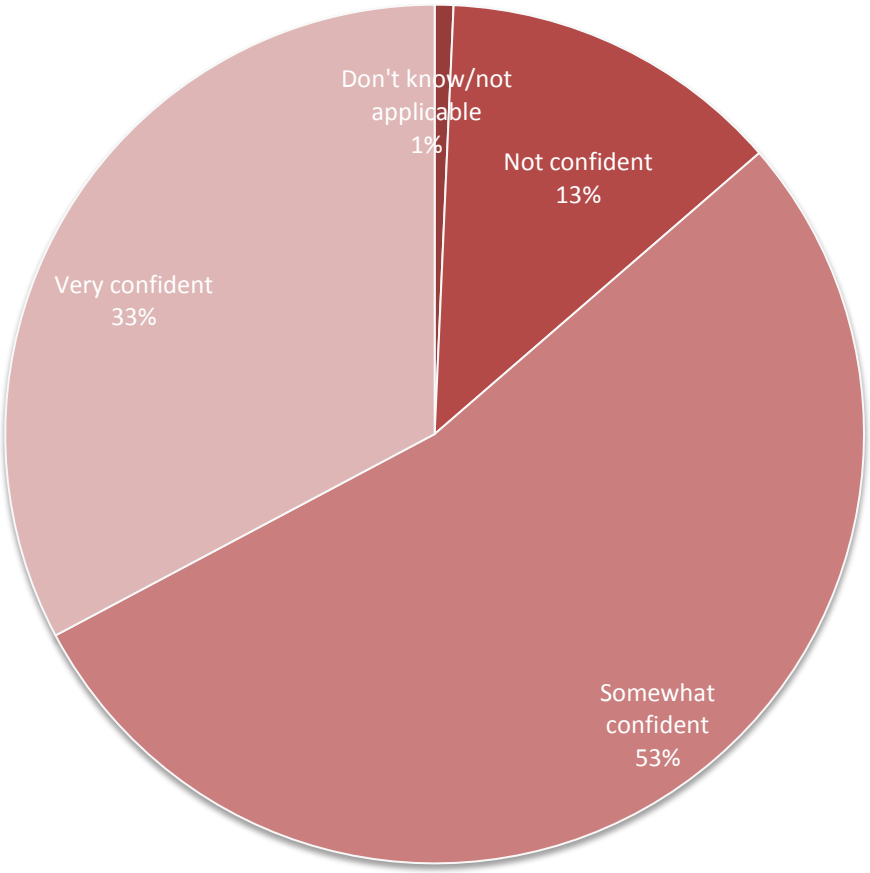
Q. How confident are you that your marketing agency understands the core principles of optimization?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=915

Chart 4.37: Agencies' understanding of optimization principles

Q. For Agency: How confident are you that you understand the core principles of optimization?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=711

Chart 4.38: Website optimization impact on brand and product awareness

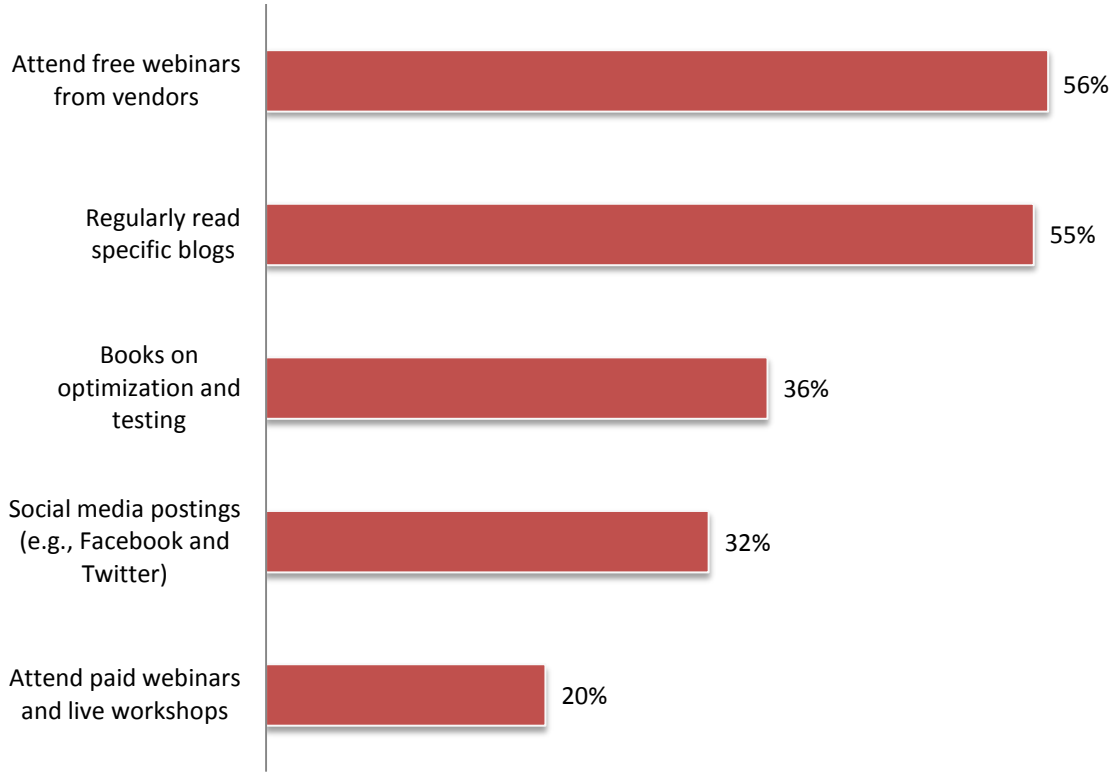
Q. How much impact did website optimization have on your organization's overall website performance?

Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=219

WHERE DO MARKETERS TURN FOR INFORMATION ON WEBSITE OPTIMIZATION?

Chart 4.39: Marketers' preferred resources for optimization testing information

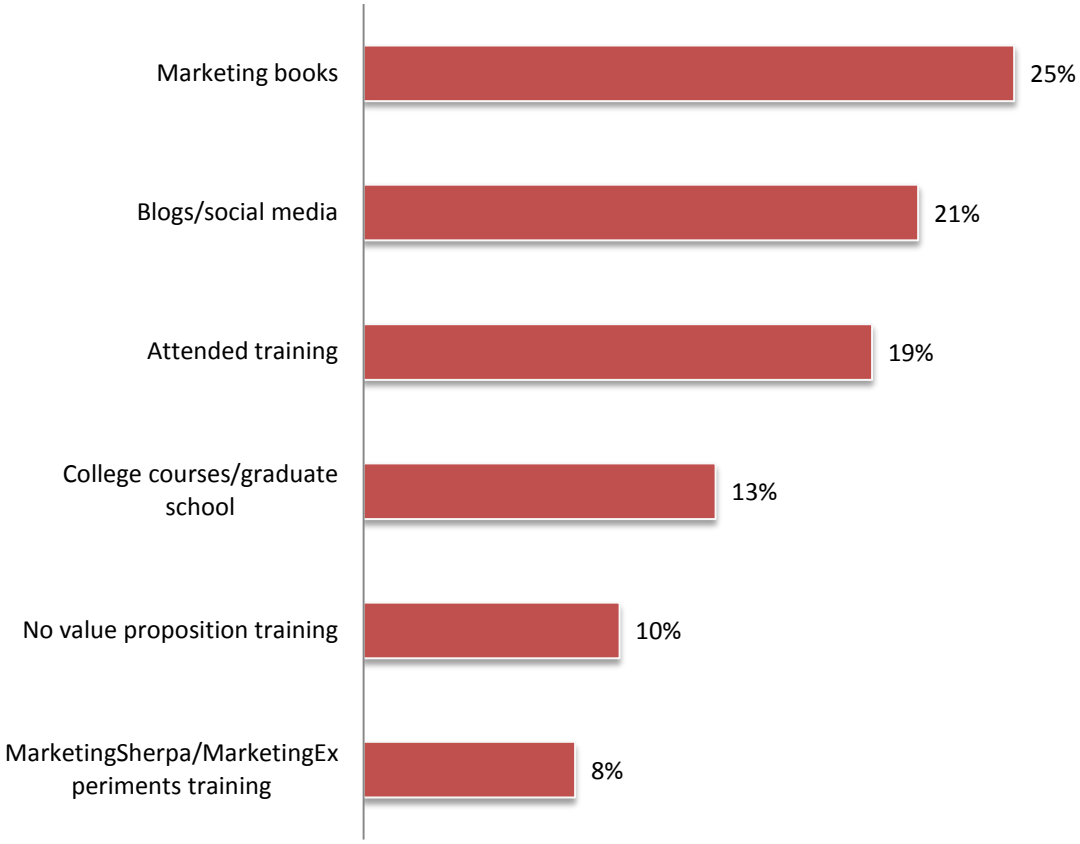
Q. What sources do you use to stay abreast of optimization information, and/or best practices and inspiration in testing?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2,202

Chart 4.40: Marketers' primary sources of information on value proposition

Q. What training have you received on the concept of value proposition?



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=1,425

APPENDIX: THE MARKETINGSHERPA RESEARCH METHODOLOGY

MarketingSherpa fielded the 2012 Website Optimization Survey between April 30 and May 8, 2012. The query took the form of an online survey, to which there were 2,677 qualified complete and partial responses from marketing and business professionals on 6 continents -- North America, Europe, Asia/Pacific, Australia, South/Central America and Africa.

Survey respondents included marketing practitioners, marketing managers, CMOs and agency professionals from a variety of industry sectors: Software or Software as a Service (SaaS), Retail or E-commerce, Professional or Financial Services, Media or Publishing (online or offline), Education or Healthcare, Manufacturing or Packaged Goods, Technology Equipment or Hardware, Travel or Hospitality, Nonprofit (charity, university, hospital), and others.

To ensure quality and relevance, submissions from respondents who indicated they were not engaged in marketing were excluded. On many dimensions, agency data was also broken out separately, to facilitate separate and comparative enquiries where natural differences exist. As such, the number of included responses is reported at the individual question level.

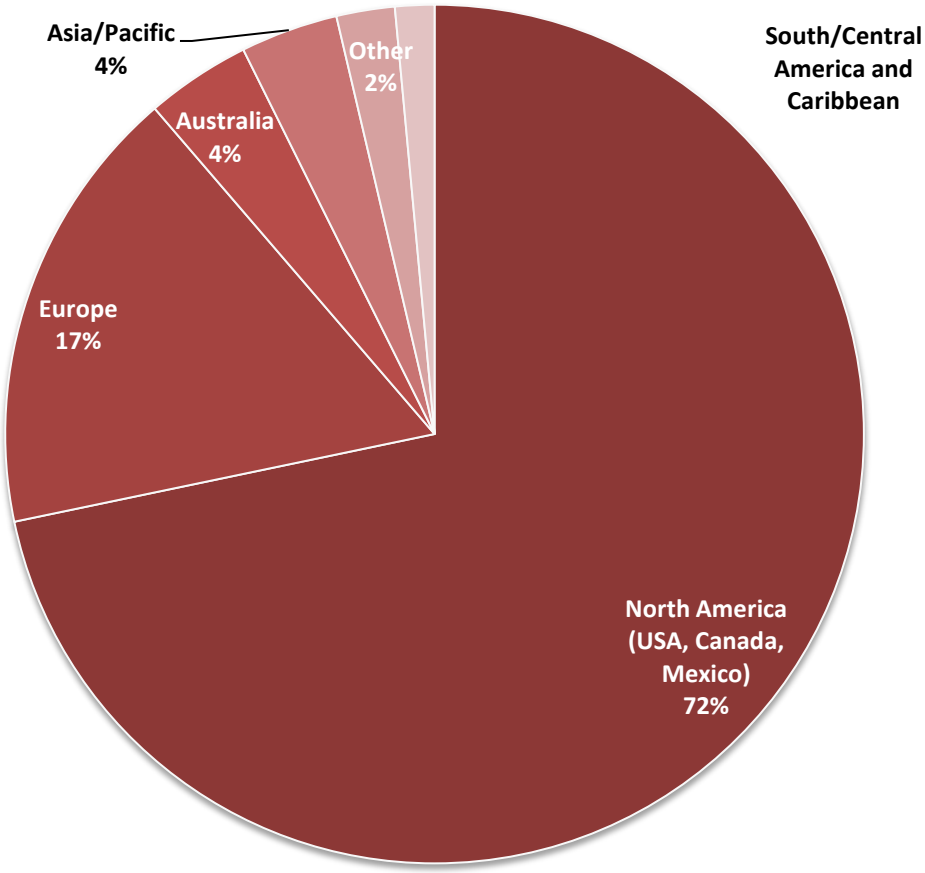
The sampling method used is an incentivized non-probability voluntary sample composed of MarketingSherpa and MarketingExperiments subscribers who expressed the willingness (via opt-in) to receive research-related and commercial email messages from MECLABS Institute, and those responding to invitations promoted through the Facebook, LinkedIn and Twitter social media platforms.

The incentive for participating in the survey was a downloadable 22-page Special Report, *Developing a Strategy for Landing Page Optimization*, which was made available for download upon completion of the survey.

To request further information about the design or conduct of this survey-based study, please contact MECLABS' Director of Sciences at research@meclabs.com.

Chart: Survey respondents spanned all continents

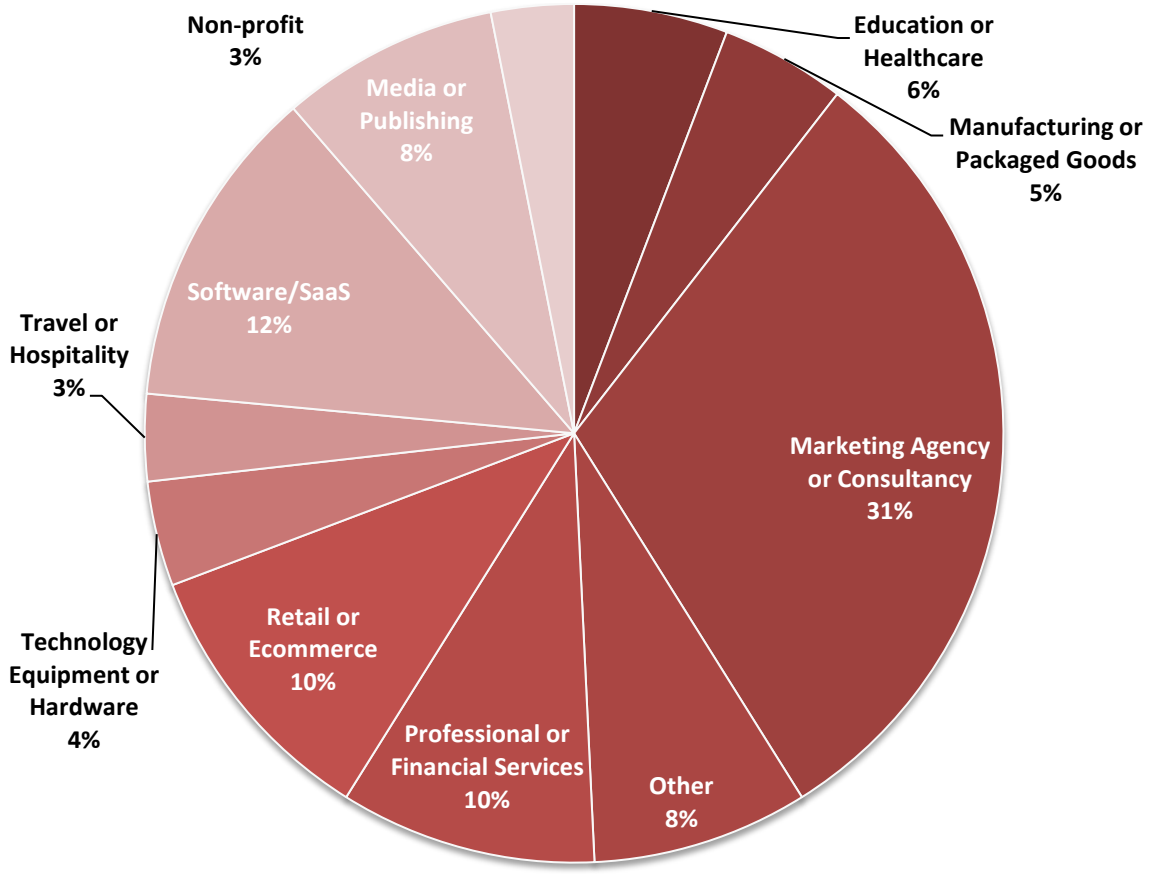
*Q. In which geographic region is your organization based?**



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2,504

Chart: Agencies, SaaS, e-commerce and professional services the largest survey respondent sectors

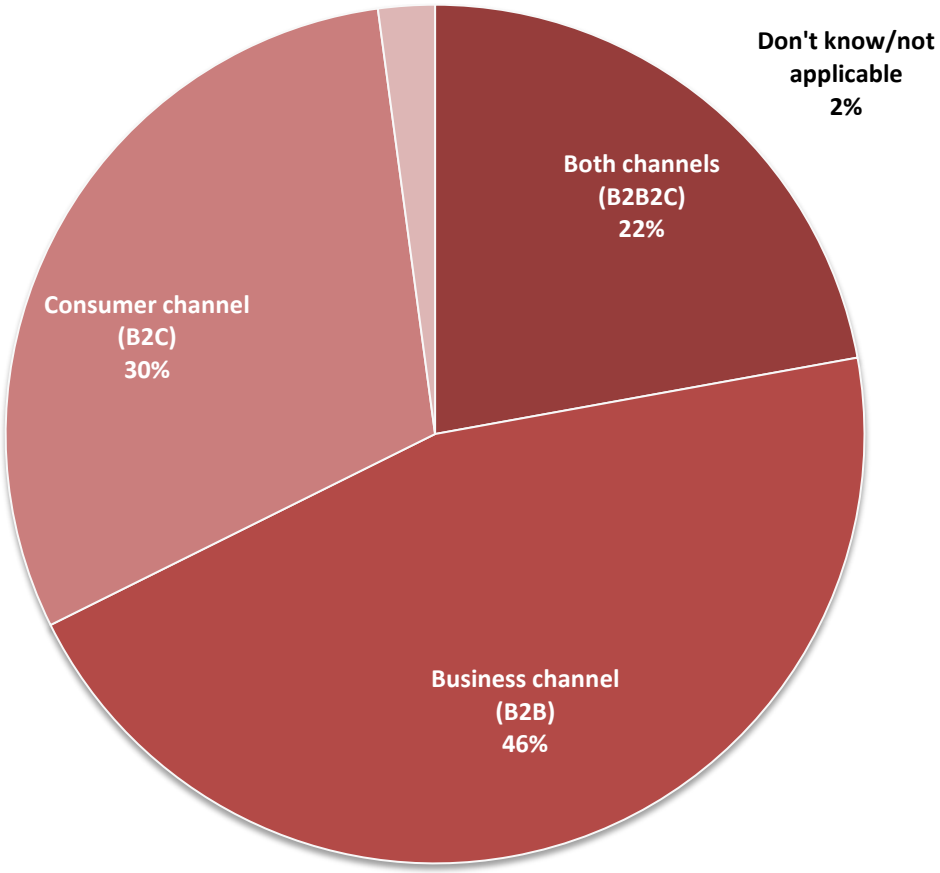
*Q. Which best describes the type of organization you work for?**



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2,504

Chart: B2B firms well-represented in the 2012 Website Optimization Survey

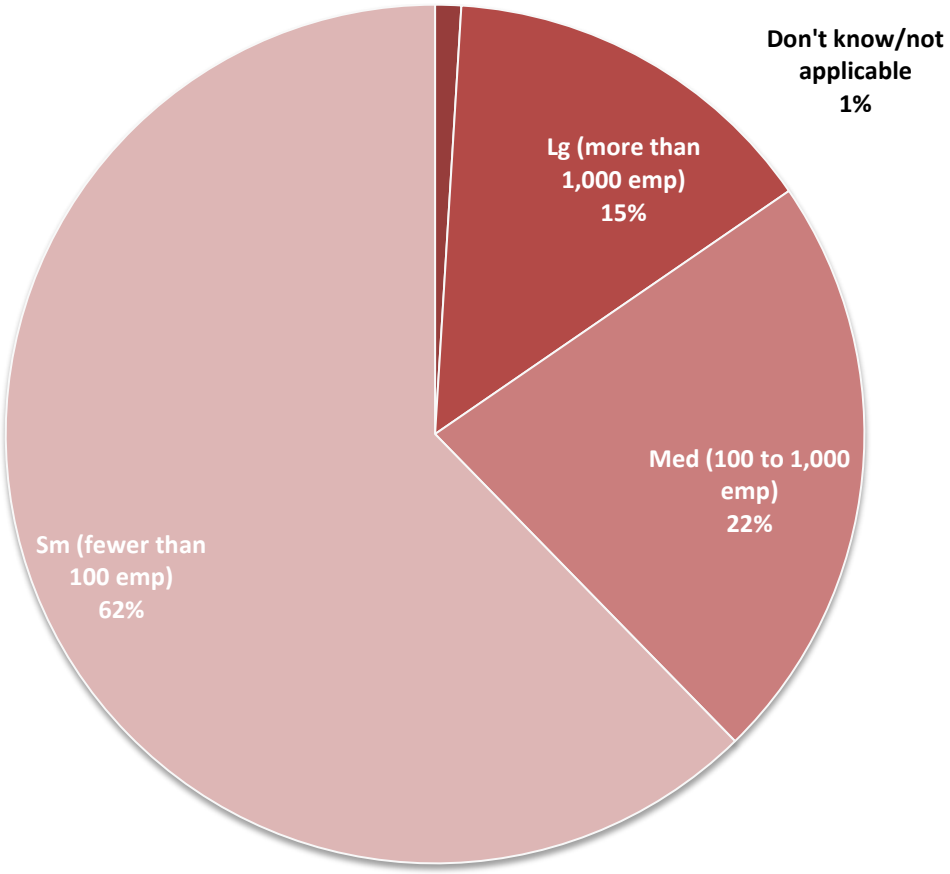
*Q. Which best describes your organization's primary sales channel?**



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2,504

Chart: Companies with fewer than 100 employees comprise more than 60% of respondents

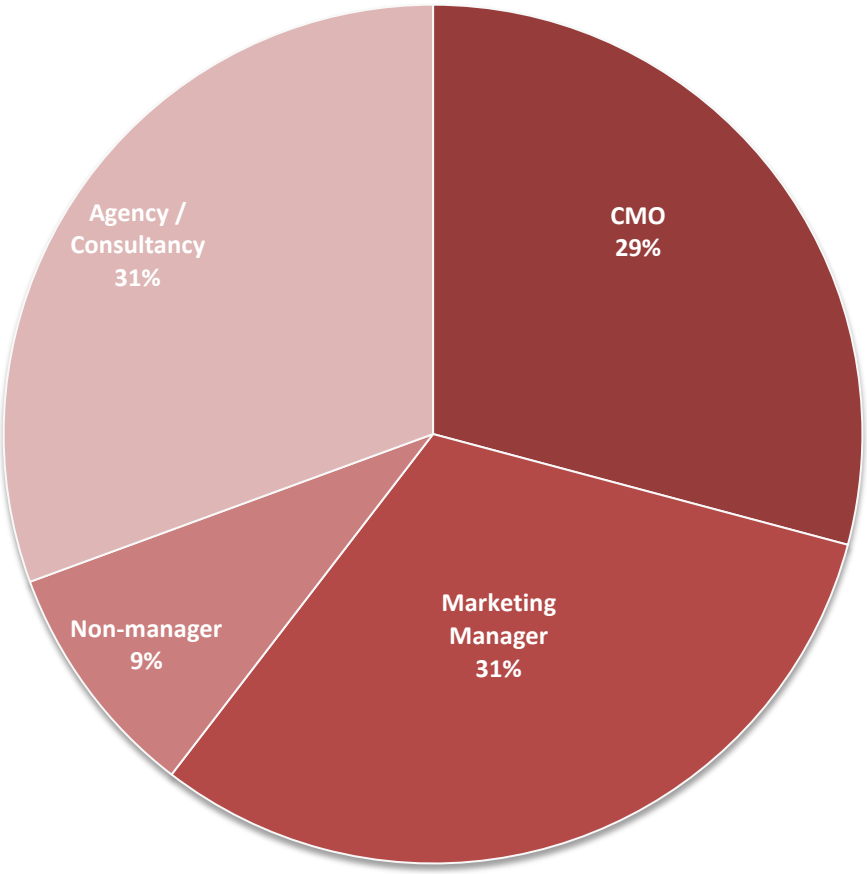
*Q. Please select the approximate number of employees in your organization?**



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2,504

Chart: Nearly even split between CMO, manager and agency respondents

*Q. Which best describes your role and marketing decision-making authority within your organization?**



Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey
Methodology: Fielded April 2012, N=2,504

GLOSSARY

A/B Split: Refers to a test situation where two randomized groups of users are sent different content to test performance of specific campaign elements. The A/B split method can only test one variable at a time.

Abandonment: As in call or site abandonment, measured when people leave a site, telephone call, etc.

Abandonment Rate: It is the number of users who abandon divided by the total number of unique visitors for a given period, measuring the efficiency of the marketing tool.

Above the Fold: The part of a webpage that is visible without scrolling. Material in this area is considered more valuable because the reader sees it first. It refers to a newspaper term for the top half that's above the fold but, unlike a newspaper, email and webpage fold locations aren't predictable. Your fold may be affected by the users' preview pane, monitor size, monitor resolution and any headers placed by email programs.

Access: The ability to see what you are trying to view, e.g., accessing a friend's photo but not their profile.

Adsense: Google's pay-per-click, context-relevant program available to blog and Web publishers as a way to create revenue.

Advertising Network: Sells ads across multiple publishers to optimize ad delivery based on the user rather than context, e.g., Adknowledge, RockYou, Social Cash, DoubleClick.

Adwords: The advertiser program that populates the Adsense program. The advertiser pays Google on a per-click basis.

Affiliate Marketing: A partnership between a website owner (affiliate) and a retailer (affiliate merchant) where the website owner advertises the retailer on their site and receives a fee for every lead or sale generated.

Aggregator: A Web-based tool or desktop application that collects syndicated content.

Affiliate: A marketing partner that promotes your products or services under a payment-for-results agreement. The affiliate relationship ranges from simply carrying a button on a webpage to full-blown email campaigns by the affiliate.

Algorithm: A set of mathematical rules that describe or determine a circumstance or action. In the case of search engines, unique algorithms determine the ranking of websites returned within search queries. Although some of the qualities used to determine ranking (number of referring sites, metatags, etc.) are known, the precise functioning of search engine algorithms is a closely kept secret to prevent the manipulation of the system.

App: A program that performs a specific function on your computer or handheld device.

Applet: Small programs (usually written in Java) or another Web-friendly language that run within a Web browser. Some applets may be negatively viewed by search engine spiders, affecting indexing and page rank.

Authentication: Digital method of proof to authorize online activities.

Authorization: Permission to perform a desired action.

B2B: Business-to-business. Also B-2-B , BtoB and B-to-B.

B2C: Business-to-consumer. Also B-2-C, BtoC and B-to-C.

Backlink: A link pointing to a particular webpage.

Black Hat: Involves techniques that aim to deceptively or unethically show relevance or importance of a website per a specific key term. Search engines frown upon black hat techniques. If found out, websites utilizing black hat techniques are generally blacklisted by the search engines.

Blog (weblog): A style of Internet publishing using content management software that allows for quick posting of journals, news and articles, e.g., WordPress, Blogger, MovableType.

Blog Digest: A regularly-updated summary of related blogs.

Blog Post/Entry: Content published on a blog. Entries may include pictures, embedded videos and URLs for online sources.

Blogosphere: The term used to describe the totality of blogs on the Internet, and the conversations taking place within that sphere.

Bookmarking: An online tool that saves the address of a website or item of content, either in your browser, or on a social bookmarking site such as del.icio.us.

Bounce: When website visitors leave after a single page visit, or leave after a short time period.

Bulletin Boards: A place where users connect with a central computer to post and read email-like messages. These early vehicles for online collaboration are the equivalent of public notice boards.

Buyer persona: A detailed profile that represents an actual, real-life group of a target audience. It includes common interests, motivations and expectations, as well as demographic and other behavioral characteristics. By establishing buyer personas, organizations are enabled to deliver unique content that will attract and nurture new and existing leads. Although buyer personas are profiles developed for marketing purposes, they should be based on sound qualitative and quantitative research.

Buzz: The cumulative coverage of an issue, event, company, etc. in all media outlets and the population at large. Companies that measure buzz examine the volume and tone of coverage in both individual-generated media — blogs, message board postings, discussion lists — and mass media outlets.

Call-to-action: The link or body copy that tells the recipient what action to take in marketing messages, Web ads, emails, etc.

Canvas: The screen area an application can use to serve content and features within a social network.

Categories: Pre-specified ways to organize content, such as a set of keywords that you can use, but not add to, when posting on a site.

Chat: Interaction on a website with a number of people adding text items one after the other into the same space, most often in real-time.

Clickthrough: When a hotlink is included in an email, search ad or online ad, a clickthrough occurs when a recipient clicks on the link.

Clickthrough Rate: Total number of clicks on email link(s), search ads, etc. divided by the number of emails sent, impressions, page views, etc.

Client: The user's computer, browser or application that requests information from another online application. Most client applications request information from a server-side application.

Communities: Groups of people who mainly communicate through the Internet. They may simply have a shared interest to talk about or more formally learn from each other and find solutions. Online communities may use email lists or forums, where content is centralized. Communities may also emerge from conversations around or between bloggers.

Community Building: The process of recruiting potential community or network participants, helping them to find shared interests and goals, use the technology, and develop useful conversations.

Comparison Shopping Site: Similar to search engines, comparison shopping sites or engines allow users to compare products from a variety of sources (websites). Merchants feed product data to the comparison sites and pay for leads or sales generated.

Confirmation: An acknowledgment of a subscription or information request. It can be either a company statement that the email address was successfully placed on a list or a subscriber's agreement that the subscribe request was genuine and not faked or automatically generated by a third party.

Connect (Facebook Connect / Friend Connect): The ability to bring friends to existing sites. Also, the ability for existing websites to allow users to log in with their Facebook or Google accounts.

Consumer Generated Media: Any of the many kinds of online content that are generated at the user level. Personal Webpages, such as MySpace profiles, are rudimentary examples. Blogs and podcasts are more evolved forms.

Content Management System (CMS): Software suite offering the ability to create static webpages, document stores, blog, wikis and other tools.

Content Rich: Refers to a webpage that contains relevant content to the topic at hand, usually used to refer to the need to repeat keyword phrases within the body copy of a website. Search engine algorithms give higher ranking to a site that contains the keyword phrases that a user is searching for.

Content: All of the material on a webpage, including all words, images and links.

Content-Based Filters: A type of filtration that sorts messages based on strings or keywords located within the message. Filtering can take place based on a score assigned to some words or phrases, or based on binary if/then statements. Example: Block if "free" in subject field.

Context Ads: Advertisements placed directly inside or next to relevant content or features.

Conversion Rate: The percentage of visitors/users who "convert" on the action of a webpage or campaign. For example, actions may be purchasing, submitting a form, downloading content, calling a telephone number, or making an extended site visit.

Conversion: The point at which a recipient of a marketing message performs a desired action. A conversion could be a monetary transaction, such as a purchase made after clicking a link. It could also include a voluntary act such as registering at a website, downloading a whitepaper, signing up for a webinar, or opting in to an email newsletter.

Cost-Per-Lead (CPL): The price of each lead generated from a marketing channel or campaign. (Total investment / total lead volume).

Cost-Per-Acquisition (CPA): A method of paying for advertising where payment is based on the number of times users complete a given action, such as visiting a website, purchasing a product, or signing up for a newsletter that takes place as a result of the marketing effort. Essentially, it's the price of each new customer. (Total investment / number of closed deals). See also **Cost-Per-Action**.

Cost-Per-Action (CPA): A method of paying for advertising where payment is based on the number of times users complete a given action, such as visiting a website, purchasing a product, or signing up for a newsletter that takes place as a result of the marketing effort. See also **Cost-Per-Acquisition**.

Cost-Per-Click (CPC): A method of paying for advertising where payment is based on the number of clicks on a link, such as in Google Adwords. Different from CPA because all you pay for is the click, regardless of what that click does when it gets to your site or landing page.

C-suite: The group of officers within an organization with the word "Chief" in their title and represents the highest level of management.

Customer Lifetime Value (CLV): A measure of the total amount the customer is going to spend with a merchant during their tenure. Usually calculated by their spending per year multiplied by the average number of years they are likely to be a customer.

Customer Relationship Management (CRM): The software and processes of tracking the information that defines a prospect or customer relationship. CRM systems typically store contact and interaction data, such as number and dates of touches, products considered.

Deep Linking: Links that direct the person clicking on the link to a page beneath the homepage of a website. Sometimes used to mean linking to a deep page on someone else's website, which has different legal issues than simply directing someone to a homepage.

Delicious: A social bookmarking site that allows users to quickly store, organize (by tags) and share favorite webpages. Users may also subscribe to RSS feeds of other users and specifically share a page with another user.

Digg: A popular social news site that lets people discover and share content from anywhere on the Web. Users submit links and stories, and the community votes them up or down and comments on them.

Domain Name System (DNS): How computer networks locate Internet domain names and translate them into IP addresses.

Domain Name: The actual name for an IP address or range of IP addresses, e.g., MarketingSherpa.com. The identifying name of a website.

Dynamic Content: Webpage information that changes according to rules set by the client or server and can adapt to instructions. For example, a dynamic content system makes it possible for unique homepages to be delivered to millions of Yahoo! users whose personal preferences have been set.

Facebook: The most popular social networking site in the western world, with more than 800 million active users worldwide. Users' homepage streams can now be seen in a wide range of applications and devices.

Frequently Asked Question (FAQ): Listed questions and answers, all supposed to be commonly asked in some context, and pertaining to a particular topic.

Feed: Online content served at regular intervals.

Feed Reader: An aggregator of content, subscribed to by the user so specific content or search results arrives in their "reader."

Forums: Discussion areas on websites, where people can post messages or comment on existing messages independently of time or place.

Gateway Page: A page submitted to a search engine that is designed to give the spider what it's looking for (fitting the algorithm for that particular search engine) and increasing the relevance of the site. Most, if not all, search engines seek to discover and eliminate the use of these pages, because it is another form of "gaming," or trying to fool, the algorithms.

Hashtag: A community-driven convention for adding additional context and metadata to your Tweets. Similar to tags on Flickr, Twitter users often use a hashtag like #followfriday to aggregate, organize and discover relevant posts.

Hidden Text: A black hat technique in which text is invisible to readers (same color as background, an HTML comment, etc.) but is visible to spiders. Most search engines can detect this practice, and pages suffer the consequences in rank.

HyperText Markup Language (HTML): The most common of the programming languages used to create webpages.

HyperText Transfer Protocol (HTTP): The (main) protocol used to communicate between Web servers and Web browsers (clients).

Hub: Refers to an organization's corporate website.

Hyperlink: A navigational reference to another document or page on the Web.

Inbound Marketing: Marketing strategies and tactics that increase the visibility of a company's website to prospects that are researching and shopping for a solution. Inbound marketing tactics include search engine optimization, pay-per-click and social media.

Internet Protocol Address (IP Address): A unique number assigned to each device connected to the Internet. An IP address can be dynamic, meaning it changes each time an email message or campaign goes

out, or it can be static, meaning it does not change. Static IP addresses are best because dynamic IP addresses often trigger spam filters.

Internet Service Provider (ISP): A company that provides access to the Internet Examples: AOL, EarthLink, MSN, RoadRunner, etc.

Keyword: A word that forms all or part of a search engine query.

Keyword Phrase: A phrase that forms all or part of a search engine query.

Landing Page: The destination webpage for people responding to an advertisement, designed specifically for that campaign and audience. The campaign might be in any medium, but is typically search or online-ad driven and email. The key difference between a homepage and landing page is that the former must be all things to all visitors, while the latter should be very narrowly designed for the campaign and, perhaps, for a segment of the audience responding to it.

Links: The highlighted text or images that, when clicked, bring users from one webpage or item of content to another.

Live Chat: A website alternative to customer service using real-time chat. Typically more inexpensive than toll-free numbers, but not as widely used or accepted.

Mentions: Number of times your brand is mentioned in any publicly communicated capacity. Mentions consist of press release pickups, news article coverage and financial message board postings. This is used as a barometer of PR share of voice.

Meta Tags: HTML components that can include page titles, descriptions and keywords. These components are visible to search engine spiders but do not affect the appearance of the webpage.

Metadata: Information — including titles, descriptions, tags and captions — that describes a media item such as a video, photo or blog post.

Microblogging: Is the act of broadcasting short messages to other subscribers of a Web service. On Twitter, entries are limited to 140 characters, and applications like Plurk and Jaiku take a similar approach with sharing bite-size media.

Microsite: A cross between a landing page and a regular website. These sites often have their own domain names and even separate brands from the organization's core brand. Marketers use them to offer a user an extended experience for branding or educational purposes. In fact, the visitor might even return to a microsite as a destination.

Multichannel Marketing: Marketing efforts that use multiple mediums to target unique prospects. For example, sending direct postal mail and email with complementary messaging and offers to the same people with coordinated timing.

Multichannel: A differentiator of merchants that employ multiple sales channels, as opposed to being strictly one (brick-and-mortar) or the other (Web-only).

Multimedia: Media and content in different forms such as videos, pictures, etc. Examples include YouTube and Flickr.

Multivariate Testing: Using a statistical model to allow the simultaneous testing of multiple variables. Contrast with A/B testing, which examines only one variable at a time.

Navigation (Nav): A menu of links or buttons allowing users to move from one webpage to another within a site.

Network: A Facebook term for a broader social grouping, such as a city, large company or university.

Open Media: Video, audio, text and other media that can be freely shared.

Outbound Marketing: Demand and lead generation marketing activities that involve the delivery of a message from the company to a targeted audience. Outbound marketing tactics have existed a lot longer than inbound marketing tactics, and are viewed as more traditional marketing practices. Outbound marketing tactics include direct mail, email marketing, outbound calls, print advertising, etc.

Personalization: A targeting method in which a webpage or email message appears to have been created only for a single recipient. Personalization techniques include adding the recipient's name in the subject line or message body, or an offer reflecting purchasing, link clicking or transaction history.

Phase I: Trial: For the purpose of this report, Website Optimization Benchmark survey respondents who indicated that they had no repeatable process for performing optimization.

Phase II: Transition: For the purpose of this report, Website Optimization Benchmark survey respondents who indicated that they had an informal process that was randomly performed for optimization.

Phase III: Strategic: For the purpose of this report, Website Optimization Benchmark survey respondents who indicated that they had a formal process for optimization that was routinely performed.

Privacy Policy: A clear description of how your company uses the information it gathers about visitors, users and/or customers. Links to privacy policies are generally included on landing pages, email registrations, lead forms, etc. as a best practice.

Privacy Settings: The ability to limit social content by network or friend lists.

Profile: The online representation of an individual's identity.

Property: A generic term for a page, application, widget or website.

Public Domain: A work that becomes available for public use when donated by its creator or when a previous copyright expires. A work in the public domain can be freely used in any way, including for commercial purposes.

Public Media: Any form of media that increases civic engagement and enhances the public good.

Ranking: A webpage's position in search engine results for a particular keyword/search phrase. Higher rankings typically indicate better PPC and SEO, as well as high volume and quality traffic.

Registration: The process of providing a username, password and other details when seeking to access a website that has otherwise restricted content.

Reverse Domain Name System Lookup (Reverse DNS): When an IP address is matched correctly to a domain name, instead of a domain name being matched to an IP address. Reverse DNS is a popular method for catching spammers who use invalid IP addresses. If a spam filter or program can't match the IP address to the domain name, it can reject the email.

Search Engine Optimization (SEO): Includes a set of processes to increase the visibility of an organization's website, webpage or multimedia content so search engines will index them in the natural, organic results. While there is no cost-per-click for organic listings, the cost of these programs typically includes the use of in-house resources or agency time.

Search Engine Results Page(s) (SERP(s)): the listing of webpages returned by a search engine keyword query.

Social Marketing: The planning, execution and measurement of marketing tactics deployed through social media sites and involving the voluntary actions of prospects and consumers.

Social Media: Applications and websites that allow for the publishing and sharing of user generated content and discussions. Examples of social media include social networks, blogs, microblogs, multimedia sharing sites and games.

Social Media Integration: The use of social media to support search marketing plans. For organic search, content development and link building tasks are facilitated. For pay-per-click, clickthrough and conversion rates are improved.

Social Sharing: Tools and tactics that enable email recipients to share email content on popular social networks and other social media sites.

Style or Style Sheet: CSS that determines the look/feel of a site.

Subscribe: The process of joining a mailing list, either through an email command, by filling out a Web form, or offline by filling out a form or requesting to be added verbally. (If you accept verbal subscriptions, you should safeguard yourself by recording it and storing recordings along with time and date, in a retrievable format).

Tags: Keywords added to a blog post, photo or video to help users find related topics or media, through either browsing on the site or as a term to make your entry more relevant to search engines.

Terms of Service (ToS): The legal basis upon which you agree to use a website, video hosting site or other place for creating or sharing content.

Thank-You Page: Webpage that appears after a user has submitted an order or a form online.

Tool: Software applications on your computer, and also for applications which are Web-based.

Total Investment: Includes the total financial investment made for a marketing channel or campaign. Can also include employee salaries or sales commission.

Universal Lead Definition: A lead that has been determined to fit the profile of the ideal customer, has been qualified as sales-ready, and spells out the responsibilities and accountabilities of the participants in the program.

ABOUT MARKETINGSHERPA LLC

MarketingSherpa is a primary research facility, wholly-owned by MECLABS, dedicated to determining what works in marketing via exclusive case studies, surveys, and results data analysis. Then we publish what we learn so our community of marketers and weekly readers can improve their results and train their teams. *The Economist*, Harvard Business School's Working Knowledge Site, and Entrepreneur.com have all praised MarketingSherpa.

MarketingSherpa tracks what works (and what does *not*) in all aspects of marketing. While we do not deliver direct solutions, we partner with MECLABS groups to provide private research for our clients. Our findings are published for the entire MarketingSherpa community's benefit.

Our goal: to give marketers of the world the stats, inspiration, and instructions to improve their results.

Our name "Sherpa" refers admiringly to the Sherpas of Nepal who guide climbers up Mount Everest. Our goal is to be your friendly native guides who help make your tough climb toward great marketing results easier by handing you research on 'what works'.

Our research activities include:

- Case study interviews with brand-side marketing VPs and directors, in both business-to-business and consumer marketing. We conduct hundreds of these hour-long interviews per year.
- Surveys of our readership: marketing, advertising, and PR professionals
- Surveys of your prospects and customers, including consumers, technology professionals and business execs, to discover what they think of marketing that's targeting them.
- Exclusive lab tests and partnered research studies provided through MECLABS
- Collection and analysis of "best of" research data published by other research firms, labs, and service providers to the marketing field. We constantly review more than 500 research sources for data that might prove useful.

ABOUT MECLABS

MECLABS is a science lab that uses real-world research to **help business leaders get better use out of sales and marketing technology and resources**, including Internet marketing, website optimization, and lead generation and nurturing. We have been involved in direct research partnerships with companies throughout Europe and North America since 2001.

MECLABS deploys a rigorous methodology to conduct research. This research is compiled from:

- More than **10 years** of research partnership with our clients
- **1,300** experiments
- Over **1 billion** emails
- **10,000** landing pages tested
- **5 million** telephone calls
- **500,000** decision maker-conversations

Insights from our work are then codified within our Primary Research groups, known under the MarketingSherpa and MarketingExperiments brands. Much of this information is published for free via our websites, newsletters, blogs, and Web clinics. In aggregate, our research is made available in more than **100 conferences**, and through more than **1,000 case studies**, **753 articles** and **180 research briefs**.

You've probably seen our research in action and never even realized it. In addition to the direct impact our Conversion Group has had on the way Internet marketing is done, our Training Group has educated marketers from countries such as the United States, Canada, Israel, the Netherlands, Singapore, Thailand, Portugal, Australia, New Zealand, the UK, United Arab Emirates, Belgium and France.

We've influenced the Internet marketing industry in many other ways as well:

- MECLABS was the **first Internet-based research lab to conduct rigorous experiments** across multiple industries to objectively identify what really works in marketing.
- The group's findings have been quoted in more than **13,000 sources** ranging from *The Economist* to the Harvard Business School.

MarketingSherpa Membership

Free Special Reports and 30-Minute Marketers, 20% off all MarketingSherpa publications, training, and events and a Librarian to guide you

MarketingSherpa membership is one of the best deals going. For only $397 per year, you can get more than **$1,700 worth of our research** and **20% off of every purchase**. Add in your own research librarian and members-only perks, and this is an opportunity that any serious marketer cannot afford to ignore.

Membership Benefits

- **10+ Special Reports FREE every year ($970+ if purchased separately)**
  Special Reports are an outgrowth of our Benchmark Reports and Handbooks, offering a more focused look at specific areas of marketing. Typically fewer than 15 pages in length, these reports contain a wealth of insights, yet are kept brief to accommodate the busy marketer. Our members get each and every Special Report for free (they are normally $97 in our store). That's more than $970 worth of research included for free as part of your membership.

- **The *30-Minute Marketer* – FREE for members (normally $47 each in our store)**
  You wish you had an extra day in the week to read about the latest developments in marketing, but warping time and space is not in your marketing budget. The *30-Minute Marketer* is the solution. About twice every month, we go through the most interesting material on a single topic, find additional information and resources, and publish a report that you can read over lunch with time to spare.

- **20% discount on everything!**
  Information is power, and marketers spend thousands of dollars every year on MarketingSherpa publications, workshops, and Summits. The math is simple - if you were going to attend one of our Summits and buy a few books, this discount alone would pay for all other membership benefits.

- **Member-exclusive librarian service**
  To help our members find the right resources and get the answers they need, we've added a new members-only librarian service. Need to know about a specific area of marketing? No problem ... if we've got research on the topic, our experts will help you find it.

- **Exclusive member-only perks**
  From time-to-time, we will inform you of special member-only perks – things like special deals, member-exclusive webinars, round-table breakfasts at Summits, and more. You are valuable to us and we'll show our appreciation with unique benefits just for you.

So what are you waiting for? You get all of the above for only $397. The free publications alone total more than $1,700 - and that doesn't even account for the valuable discount savings and our convenient librarian service. You can get started right away by visiting the link below. Thanks for your time and consideration!

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