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BENCHMARK REPORT

2011 Landing Page Optimization

New research and insights on maximizing
the ROI of your website traffic

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Landing Page Optimization Benchmark Report

New research and insights on maximizing the ROI of your website traffic

Author

Boris Grinkot, Associate Director of Product Development

Contributors

Sergio Balegno, Director of Research

Daniel Burstein, Director of Editorial Content

Robert Kemper, Director of Sciences

David Kirkpatrick, Reporter

Todd Lebo, Senior Director of Content & Business Development

Adam Sutton, Senior Reporter

Production Editor

Brad Bortone, Associate Editor



2011 Landing Page Optimization Benchmark Report

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EXECUTIVE SUMMARY

NEW RESEARCH AND INSIGHTS ON MAXIMIZING THE ROI OF YOUR WEBSITE TRAFFIC

Since the initial printing of the *Landing Page Optimization (LPO) Handbook* by MarketingSherpa in 2002, LPO has steadily gained momentum as an opportunity for marketers to improve the performance, not only of their Web pages, but also of related marketing activities that drive traffic, from search and email to social media.

Growing sophistication and decreased average cost of measurement (Web and transactional analytics) tools, availability of primary research from LPO thought leaders and emerging testing expertise, have increasingly allowed marketers to justify their investment into LPO. Triple-digit conversion rate improvements are still not uncommon, even a decade after optimization practices were first systematically applied by marketers to their landing pages. As in other areas of marketing, demonstrating ROI has been the overriding concern, yet LPO-savvy marketers have consistently met this challenge, numbers in hand.

With this report, we examine the new LPO landscape to analyze how marketers' utilization and organizational integration of landing page optimization and testing have evolved.

Benchmark Report

MarketingSherpa Benchmark Reports provide marketing executives and practitioners the comprehensive research data and insights needed to compare an organization's practices and performance against industry benchmarks, and guide strategic decisions and tactical planning.

The collective wisdom of more than 2,000 marketers

A total of 2,673 marketers participated in this extensive survey on landing page optimization and testing. The result is an unprecedented view into the practices, preferences, failures and successes of your peers— assembled to help you learn, plan, and understand your organization's relative stance compared to your competitors and marketers in general.

Highlights of this year's study

- Challenges faced by LPO with respect to expertise gaps, and operational and political issues
- Effectiveness of optimizing specific pages, and relative gains for pages that were tested
- How organizations are allocating LPO budgets and how these allocations are changing
- Staffing related to LPO and the popularity of functions performed by employees vs. consultants
- Usage, effectiveness and difficulty of common LPO tactics and specific page elements
- Usage and effectiveness of landing pages with respect to specific types of inbound traffic
- Metrics used to analyze LPO effectiveness and perform testing
- Popularity and availability of agency services in LPO and testing
- Testing methodologies and learning resources

Organized for fast and easy reference

The *2011 Landing Page Optimization Benchmark Report* is a comprehensive reference guide that contains more than 190 charts and analytical commentary, hundreds of topical insights from your peers, several

abridged case studies of real-life optimization projects and more. To help you quickly locate the information most relevant to your organization, data is provided for the following segments:

- Primary website objective (e-commerce, content-for-lead, direct lead generation)
- Primary sales channel (B2B, B2C, B2B2C)
- Representative industry sector

In addition, select data is presented based on particularly relevant respondent segments to provide an especially telling or specialized view on the topic. These segments include:

- Consultancies that perform LPO and testing services
- Companies that perform testing vs. those that do not
- Respondent's organizational role (CMO/executive vs. non-CMO/executive)
- Organization size (fewer than 100, 100-1,000, more than 1,000 employees)

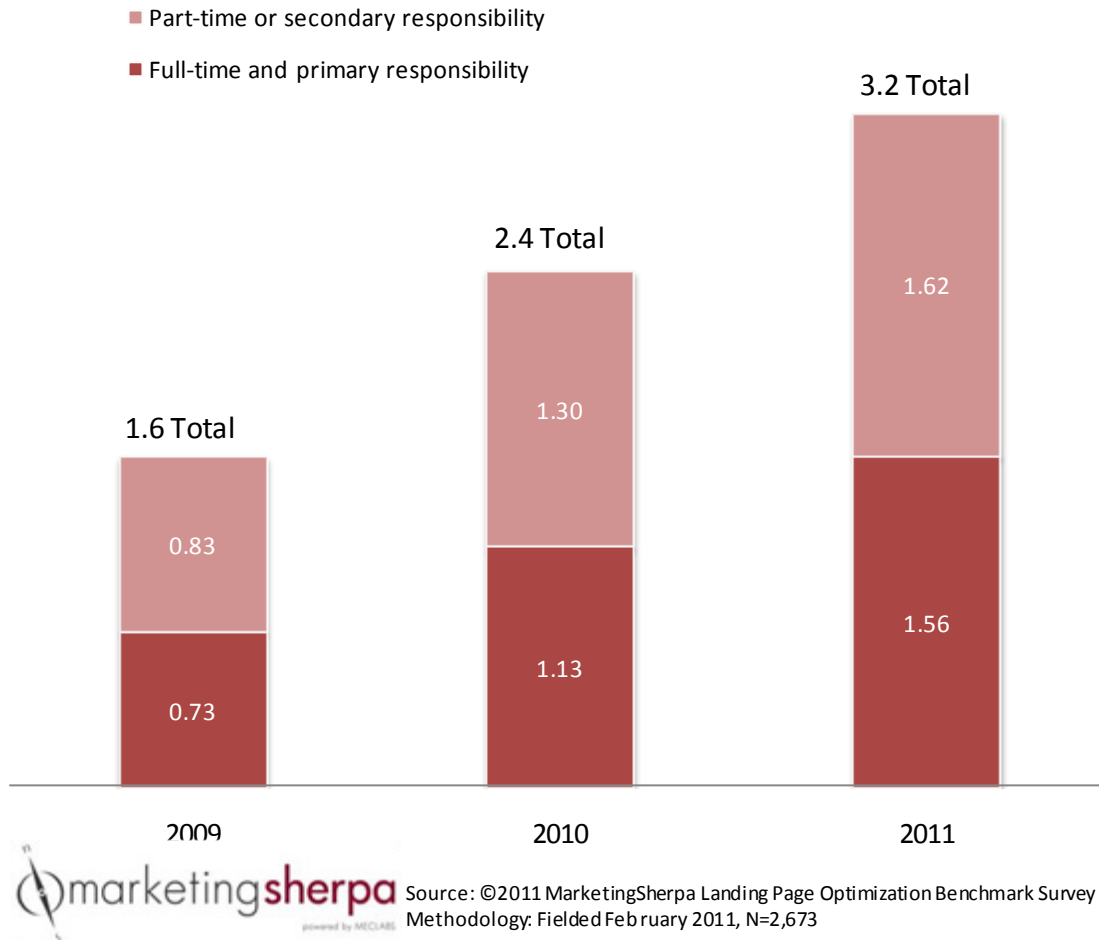
Analytical commentary

Analysis and insights from survey data are provided, where appropriate, to assist the reader in interpreting the data and identifying opportunities with respect to what the reader's peers may be doing (or not doing) in LPO. This commentary is offered to help the reader make both strategic decisions to develop or grow the LPO practice, and tactical choices that deliver maximum return on investment in LPO.

KEY FINDING: STEADY GROWTH OF IN-HOUSE STAFF ASSOCIATED WITH LPO FUNCTIONS

With landing page optimization proving itself as a reliable ROI driver, the number of employees with full- or part-time responsibility focused on optimization and testing has steadily grown since 2009 and projecting into 2011. This trend reflects both the increased awareness and perceived value of LPO.

Chart: Number of in-house employees entrusted with LPO from 2009 to 2011



This chart provides a separate count of employees in full- and part-time categories, meaning that for each company, on average, the total LPO staff size is the sum of the two (the figure at the top of each stack). For example, a company in 2010 had an average of 1.13 employees with full-time LPO responsibilities *plus* 1.30 employees occupied with LPO only part-time for a total of 2.4.

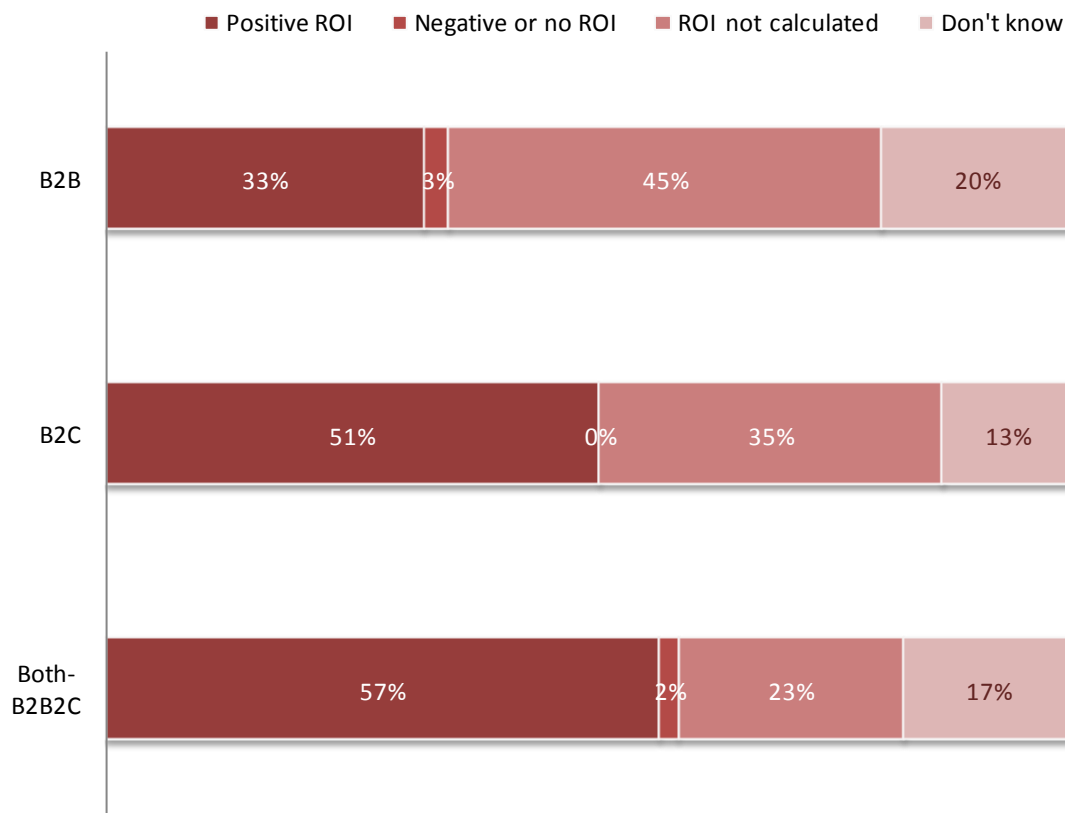
However, it should be noted that companies with zero employees involved in LPO are significantly *under*-represented in this survey, as they are less likely to respond (or provide you with valuable insights) on LPO. Had they been fully represented, these average figures would have been much smaller. This is likely good news for most readers from the comparative perspective: If you have at least one LPO employee by 2011, you are well in the game. If you do not, read on to discover key LPO challenges, best practices and outsourcing opportunities to help you plan your path ahead.

KEY FINDING: ROI OF LPO IS UBIQUITOUSLY POSITIVE, BUT A CHALLENGE TO CALCULATE

Among marketers that took on the challenges of executing LPO programs, almost all reaped the rewards—at least those that were able to calculate them.

The chart below shows that aside from being least likely to demonstrate positive ROI from LPO, B2B marketers are also the ones most challenged to calculate ROI in the first place. This is understandable, as B2B websites tend to receive relatively low traffic. Therefore, B2B marketers are less likely to have sufficient Web analytics data to establish a reliable financial model. As we will show later in this report, B2B marketers are likewise significantly less likely to test, as compared to B2C marketers.

Chart: Marketing executives and managers demonstrating the ROI of LPO in 2010



Source: ©2011 MarketingSherpa Landing Page Optimization Benchmark Survey
Methodology: Fielded February 2011, N=2,673

Again, there is an inevitable bias in the data. Those achieving positive ROI were more likely to respond to the survey. Given this bias, the proportion of respondents that “could not or did not calculate an ROI” is especially high. This trend indicates that even when calculating ROI is a challenge, marketing managers and executives are nevertheless concerned about LPO, likely as a result of others’ published LPO successes.

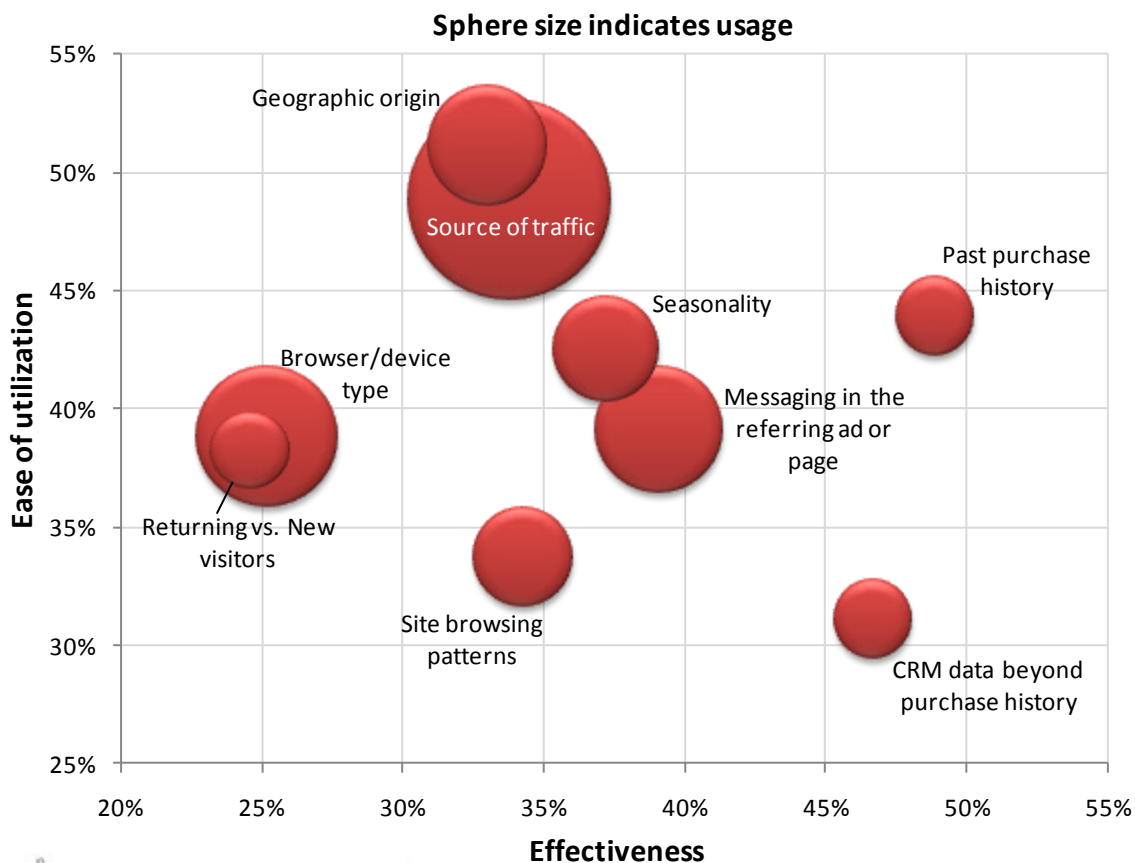
It should be noted that the “don’t know” segment is surprisingly large across the board, together with the “ROI not calculated” segment signaling an opportunity for data-driven marketers to capitalize politically on LPO’s effectiveness.

KEY FINDING: TRANSACTIONAL DATA IS GOLD FOR SEGMENTATION AND RELEVANCE

“Relevance” has only recently been overshadowed by “engagement” and “influence” as digital marketers’ top-of-mind buzz words. For landing page optimization (as for marketing in general), relevance continues to be both critical and elusive. With static and stale websites at the one extreme and CRM-driven custom content at the other, marketers are becoming increasingly sensitive to website traffic diversity. Different visitors have different motivations, want different things and prefer different communication styles.

Teasing out these preference segments from visitor behavior is difficult, but can be highly rewarding. Combined with testing, segmentation allows fine-tuning relevance not only in terms of content, but in terms of how that content is presented. The chart below demonstrates which segmentation tactics have been shown to be most effective.

Chart: Three-dimensional view of top segmentation and relevance tactics



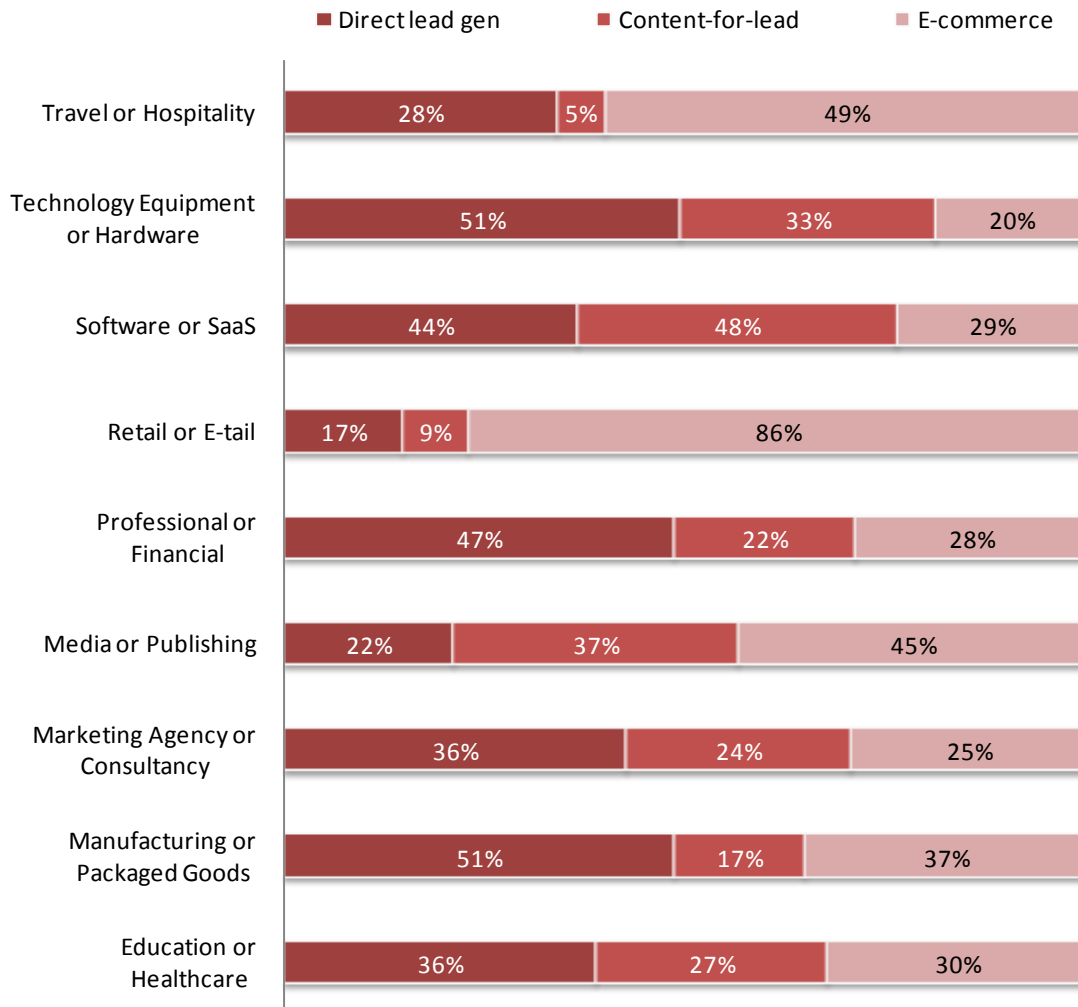
Source: ©2011 MarketingSherpa Landing Page Optimization Benchmark Survey
Methodology: Fielded February 2011, N=2,673

Not surprisingly, the most often utilized segmentation data is also among the least difficult to apply with respect to IT and other resources in optimizing for relevance. Recognizing “returning vs. new” visitors has been surprisingly ineffective, while the more sophisticated ways of recognizing, storing, and applying data on past interactions with a site visitor are both the most difficult to orchestrate and provide the greatest return. . Notably, the tactic of using the messaging in the referring ad or page can be especially easy to apply when the marketer also controls that messaging, making it a highly efficient way to segment.

KEY FINDING: WEBSITE OBJECTIVES ARE KEY TO DECODING LPO PRACTICES

Without an objective, optimization is simply pushing things around on a page. Optimization cannot occur in a vacuum: a page, a process, a message, etc., is optimized *for* a certain desired outcome. Practices described in this report must be understood in terms of the website objectives. As we can see in the chart below, while some objectives map neatly on our intuitive understanding of certain industries, others are somewhat unexpected.

Chart: Direct lead gen, content-for-lead, and e-commerce objectives in 2010, by industry



Source: ©2011 MarketingSherpa Landing Page Optimization Benchmark Survey
Methodology: Fielded February 2011, N=2,673

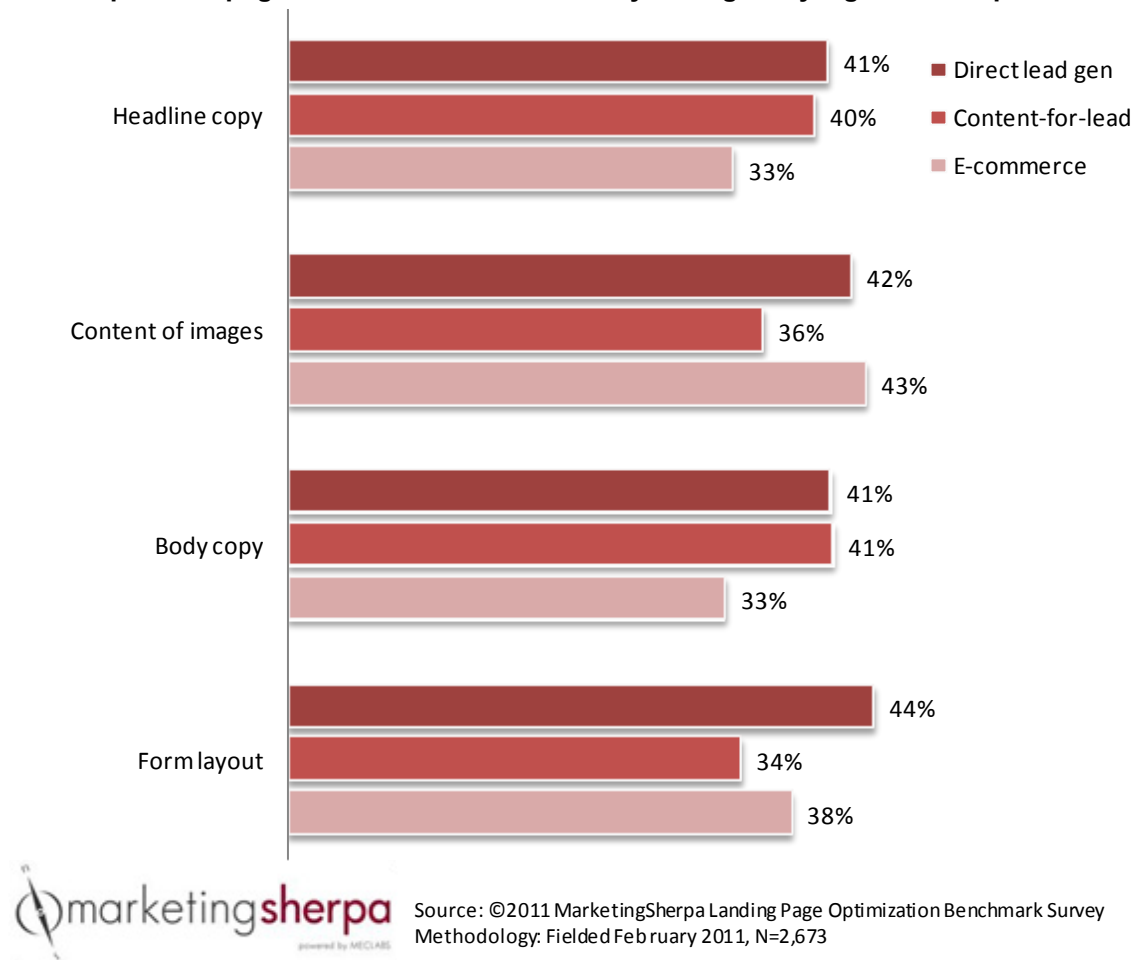
Lead generation is not only a dominant concern across industries, but also has significant presence in retail and e-commerce. Yet, as we will see later in this report, almost 80 percent of marketers do not employ a lead quality score to determine the right balance between lead quality and quantity. Without taking the cost of sales into account, increased online conversion-to-lead may belie a decrease in revenue, not to mention cause some animosity from the sales folks across the hall.

KEY FINDING: HEADLINE AND CALL TO ACTION ARE THE MOST IMPACTFUL PAGE ELEMENTS

Given limited time and resources, simply optimizing or even testing can be an exercise in futility. You can spend several months perfecting a button, but even the most optimal button color may not provide a noticeable improvement in the conversion rate. We asked marketers to report on their experience with 17 of the most commonly tested page elements in terms of impact on website performance.

Below are selected elements ranked most consistently *across* the three website objectives as having “very significant impact” as a percentage of marketers that optimized them. Importantly, this ranking varies very significantly depending on the objective, industry, and sales channel segments, broken out in the full report.

Chart: Top 5 of 17 page elements most consistently having “very significant impact” in 2010



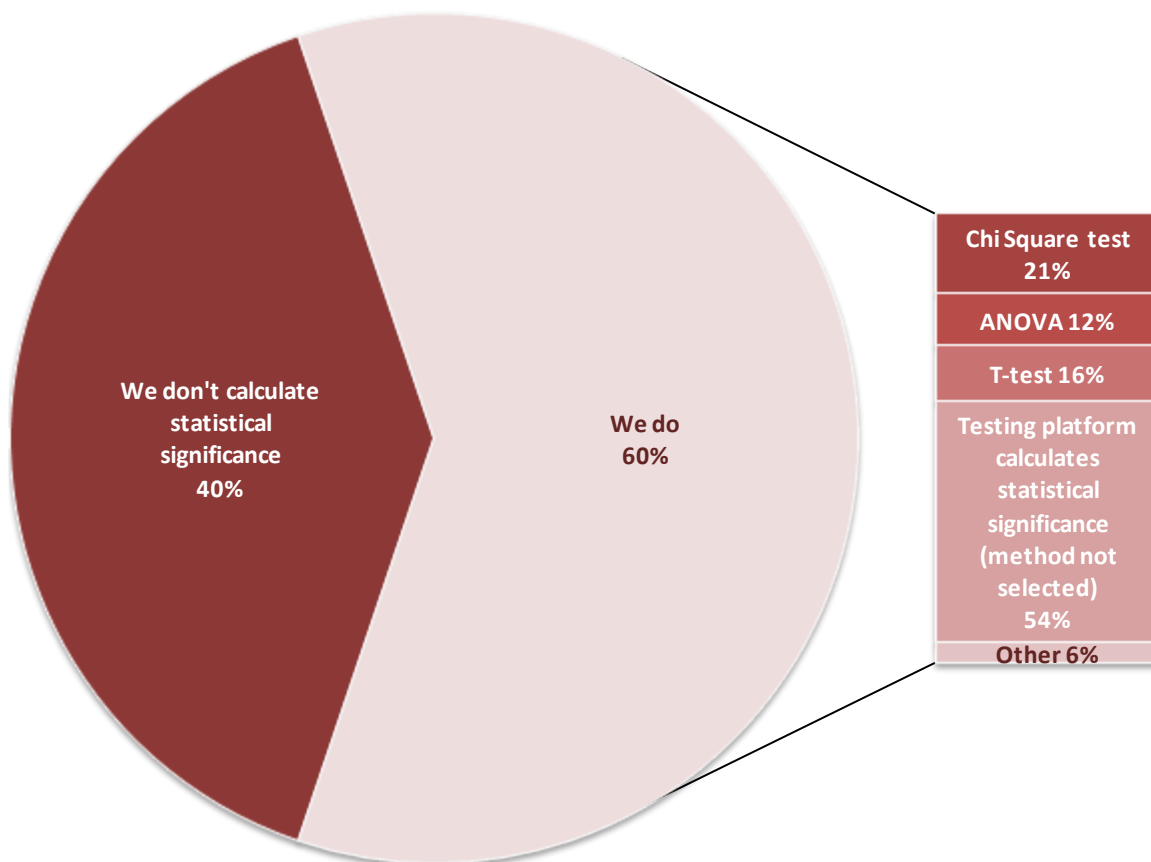
The headline has been repeatedly shown to provide high impact, and its success factors into the ranking below. Often, it makes the difference between the visitor reading *any* content and going for the dreaded “x” button. The call to action is not surprisingly twice in the top five—supporting the reason and providing a clear opportunity to act, which are critical to conversion. Of course, you can no longer stop at best practices—you must test to confirm that a specific tactic will work for your website. If you are just starting out in LPO, this report provides a starting point for trying out best practices that have worked for your peers. If you are a seasoned LPO and testing expert, you can evolve and calibrate your own LPO efforts against your competitors by using the more granular breakouts in this report.

KEY FINDING: MARKETERS MANAGING ONLINE TESTS DON'T VALIDATE RESULTS

We asked marketers—not just a random group, but those who had previously indicated that they were involved in generating a formal design of experiments, calculating the appropriate number of treatments and traffic volume for a test, and/or hands-on operated a testing software platform—how they arrived at statistical validity for their test results.

It is no surprise that the statistical methodology in play may be obscured by the testing and analytics software in a marketer's toolkit. However, we were surprised to find that between one-third and one-half of testing-savvy marketers did not calculate statistical significance at all. This means that even though they test, they determine (and presumably, act upon) a test's winner without solid analysis to support it.

Chart: Marketers' awareness and use of various methodologies to validate test results



Source: ©2011 MarketingSherpa Landing Page Optimization Benchmark Survey
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This certainly does not imply that every marketer should go out and get a degree in statistics. However, in our ROI-driven world of digital marketing, testing without calculating statistical significance of the data is not much different than not testing at all. Perhaps it is even more problematic, as it generates complacency from knowing that the most powerful ways of optimizing are being employed, yet does not provide the company with the value that comes from making decisions based on validated data.

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1300 Marsh Landing Parkway Suite 106
Jacksonville, FL 32250

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