



Ideas with **ACCOUNTABILITY**

A Newsletter Published for Clients and Friends of
Goldstein Group Communications, Inc.

October, 2002

In This Issue

- ▶ Online Advertisers: Look for Loyalty, not Reach
- ▶ Survey Says: Email Quiz Technique Generates Hundreds of Leads
- ▶ Direct Mail Test Proves Impact of Double-Fold Mail Cards
- ▶ Do You Ever Need to Advertise Again?
- ▶ Going Straight to the Top of Search Engines
- ▶ Feeling Abandoned? Examine Your Web Site for Answers
- ▶ Seeing is Believing for Industry Editors
- ▶ And The Winner Is...
- ▶ Shameless Self Promotion

Online Advertisers: Look for Loyalty, not Reach

The growing body of advertising research clearly demonstrates that online advertising is effective. It raises awareness, conveys advertisers' messages, and enhances brand perceptions.

In the past, decisions about where to place banners online centered on the volume of site traffic. Because of the lack of demographic information about a site's visitors, advertisers were forced to weigh the relative merits of one site versus another just by counting the number of people visiting the site each month.

Now, new research points to a new metric for site analysis based on site loyalty. It's long been understood that it's better to deliver your message to 10,000 targeted people multiple times, than to deliver your message once to 100,000 less targeted people. By applying that to online advertising via a loyalty metric, we can locate online banners where they'll be seen not by the largest audience, but by the best audience.

Increasingly during the next two years, as online advertising matures, savvy sites will begin tracking not just total site visitors, but returning visitors, to differentiate between "Loyal Users," who visit the site frequently, from "Fly-by Users," who view a page or two never to return. As evidenced by their behavior, Loyal Users have a stronger relationship with the site and have developed a trust, confidence and familiarity with the media brand.

[Read more](#) about the new Loyalty Metric in this white paper, published by the Online Publishers Association.

Survey Says: Email Quiz Technique Generates Hundreds of Leads

Everybody likes to play games. We've found that when we create an online banner based on a quiz or challenge, response rates are 2-5 times higher than industry averages, simply because people are more likely to respond to an appeal that seems interactive and fun.

Now, we've taken the same approach to a new quiz email technique designed to generate leads. The email quiz was sent to an internal list, along with a purchased email list, with a message that challenged engineers to see if they could answer just 5 basic questions relevant to their jobs – and to the client's products.

The email produced two benefits: lead response was tremendous, the highest rates for any email program we've created in two years, at 7.5% for the purchased list and an 18% response rate for the internal customer/prospect list.

Second, the quiz provided news value that was converted into publicity for the company and a second source of leads. Only 10% of engineers playing the quiz were able to answer these five basic questions correctly, which allowed the company to issue a news release on the survey results with an offer of a tutorial white paper for engineers to read as a refresher.

With this one program, the company grew its pipeline of leads by 20%, at a fraction of the cost of traditional programs. Email and survey lead programs are just two of the techniques described in the agency's White Paper on "Converting Leads To Sales."

Direct Mail Test Proves Impact of Double-Fold Mail Cards

Which generates more leads – an oversized 6" x 9" two-sided postcard, or a four-panel mailer of the same size with a perforated Business Reply Card (BRC).

Direct marketing theory has long suggested that the four-panel will outpull the simple postcard. One agency client decided to put the question to a test and found the larger format generated three times more response than a simple post card.

The test called for the same creative message and graphic design to the same mailing list, eliminating two of the three variables in direct mail. Since list quality and the message/offer (technical literature plus an offer to win an atomic clock) were identical, a different response rate could only be attributed to one design format over the other. The mailings were sent to 5000 recipients each.

The overall response rate for all 10,000 pieces was typical for direct mail – 1.34%, within the 1-2% industry standard. However, when you look at the response rates for the two form factors, the 6 x 9 postcard drew .6%, and the four-panel BRC postcard pulled 2.08% -- nearly a 3:1 advantage. The BRC mailer accounted for 78% of total responses, the card alone for 22%.

We were not surprised that the BRC mailing outpulled the card, since that's what direct mail research would suggest. What is a bit surprising, but in retrospect perhaps should not be, is that of the respondents to the BRC mailing, 48% replied with the card and 52% ignored the card, went to the site, and then responded over the web.

Clearly the four panel mailer elicited a better response than the flat postcard. However, the large web response indicates that inclusion of the BRC as a response mechanism was not the sole driving force behind the response rate. Rather, the response rate difference was due to a combination of more information being available on the four-panel mailer, and that it needed to be actively opened and examined -- whereas the flat postcard could be summarily glanced at and discarded.

Do You Ever Need to Advertise Again?

The marketing director of a large industrial company spending \$1 million in print advertising asked recently, "what would happen if we spent no money on print advertising next year?"

It's a shocking question, one made more startling by the answer: nothing. For the first time, it's possible for business-to-business companies to conduct business, find customers, make sales, even grow, all without print advertising. Marketing techniques such as public relations, direct mail, email, web marketing and a direct sales force have all proven so effective in recent years, that today it's possible to book orders without any print advertising.

In fact, since the downturn has made cash a scarce commodity, many companies are concluding that print advertising, typically the most expensive promotional technique, has no place in their companies. Aside from the downturn, they say, they may never come back to run ads for their products in trade journals.

They've concluded that other tactics, particularly online advertising and email, have proven so effective and cost-efficient at generating leads that they'll just forego the expense of print ads and stay with these lower cost-per-lead programs.

And that would be a mistake. [Click here](#) to read the rest of the article.

Going Straight to the Top of Search Engines

Key word ad buys, which have transformed Internet marketing programs during the past 12 months, are about to expand in impact yet again. Key word ad buys allow companies to "buy their way" to the top of the industry's most popular search engines -- Google, Yahoo! and Alta Vista, among others. So, even though you're a David competing with a corporate Goliath, you can see your website listed at the top of Yahoo or Google, the Internet's most important real estate.

Two studies point to the impact search engines can have for your company. In a survey sponsored by CyberAtlas, 62 percent of marketers who responded reported that 50-75 percent of the traffic on their sites came directly from search engines. Another study from Georgia Tech reported that 85 percent of respondents found web pages from search engines.

Key Word Ad Buy programs allow companies to achieve this position, and at the same time are dramatically inexpensive; companies identify search words their customers are likely to use, and then bid for placement on these pages for usually between 5 cents and 50 cents, depending on the word's popularity. Even better, companies are charged only when someone clicks on your specific link.

Now, this "pay-per-click" auction format is being picked up by Google, which has now replaced Yahoo! as the leading search engine. Because Google has partnered with America Online, keywords your company buys reaches millions more.

Why is search engine positioning so important? A recent study by Search Engine Watch showed that only 7% of Internet users ever go beyond the first page in their searches. So, if you don't have a presence on the first page, you don't really have a presence online.

Feeling Abandoned? Examine Your Web Site for Answers

Now that more b-to-b web sites add and enhance their “shopping cart” buying functions, web marketers are now shifting their focus away from increasing site traffic to decreasing their “abandon” rates.

Reducing abandons refers to the relatively high number of people who begin a shopping cart session, but then for unknown reasons end it without actually buying. It’s tremendously frustrating to marketers to have finally attracted someone to their site, see them place items in a shopping cart, only to inexplicably leave the site without buying what they’ve selected.

Industry averages for abandon rates vary, mainly because this is a relatively new statistic. Some studies from the consumer world indicate an average 65% abandon rate; other b-to-b studies put the figure more at 80%.

Clearly, even minor improvements in reducing abandons would yield dramatic increases in site revenues and profitability. What are marketers doing?

- Many sites are clearly confusing to customers. Conduct focus groups of your site to see where navigational roadblocks occur.
- Key information is often still missing from sites, such as relevant product specs and sometimes even pricing.
- Consider adding “live chat” functions to your site, either by developing the tool in-house or outsourcing it through a service such as Liveperson.com. When someone can ask a simple question quickly and easily while within your web site environment, you can often convert a barrier question into an ultimate purchase.
- One consumer site is experimenting with a pop-up that offers a 5% discount to a buyer who terminates a shopping cart session. The site now receives 15% more orders from customers that previously would have abandoned.

Even after addressing these structural issues, marketers need to look at product mix and pricing issues, according to a survey conducted by Vividence. A study of 719 e-commerce buyers ranked structural or site design factors as only the bottom 10 of a list of the 10 most frequently cited reasons for ending a shopping cart session:

1. High shipping prices (72%)
2. Comparison shopping or browsing (61%)
3. Changed mind (56%)
4. Saving items for later purchase (51%)
5. Total cost of items is too high (43%).
6. Checkout process is too long (41%)
7. Checkout requires too much personal information (35%)
8. Site requires registration before purchase (34%)
9. Site is unstable or unreliable (31%)
10. Checkout process is confusing (27%)

Seeing is Believing for Industry Editors

New technologies for online meetings and group collaboration are touted by many corporations as replacements for business travel. If face-to-face isn’t practical or affordable for a project, new Internet tools such as WebEx or Web seminars are often viable substitutes.

Not so, say some magazine editors. When arranging press visits for companies seeking to brief them on new products, one savvy electronics industry editor, Dan Strassberg of EDN magazine, urges PR executives to table the technology and simplify his life.

“The companies that force us to dial in to these online web presentations are

actually making my life more complicated," he explains. "It seems there's always a problem with the link, they sometimes require a separate phone line for the presentation as well as for viewing the online PowerPoint presentation. It's just not worth it. If you're not going to visit, just send me the hard copy presentation and call me on the phone!"

Sometimes, it takes a technology reporter to point out the benefits of the personal touch.

And The Winner Is...

Congratulations to several of our clients that have received awards for products or other honors in their industry press:

- **Valtronic** – manufacturers of miniaturized electronics, winners of an R & D 100 award, for a new technology judged as one of the 100 most significant products introduced last year.
- **Chromalox** – manufacturers of precision heat and control products, winners of Plant Engineering's Product of the Year award for its Model 2110 Temperature Controller.
- **Keithley Instruments** – manufacturers of test equipment, to Chairman Joseph P. Keithley, named by Crain's Cleveland Business to its Who's Who in Technology list.
- **Data I/O** – manufacturers of semiconductor programmers, winners of the "Technology Watch Award" from Circuits Assembly, in January 2002.

Shameless Self Promotion

We don't often use this newsletter for updates about the agency, but in this case we think several items are worthy of a bit of attention:

Welcome to Sue Rahn, our agency's new art director. Sue comes to us with an impressive amount of experience, including time spent at several agencies, such as Meldrum & Fewsmith (Wolfe Group), Sharp, Kliskey and others where she gained a wealth of background in b-to-b work. Her hands-on expertise with sophisticated client programs will be a tremendous asset to us.

While we've reported that we were one of the few agencies fortunate to report a slight uptick in revenues during 2001, we're pleased to note that our business is continuing to grow during the first nine months of 2002. Although it's certainly not the hypergrowth of 1999 and 2000 (was all that real or just a dream?), we're pleased we're not experiencing the dramatic declines seen by other agencies around the country. Much of our growth is due to the expansion of our online marketing business; we're now distributing about 600,000 emails a year for clients, making us one of the largest email agencies in Northeast Ohio. Our client base is expanding geographically as well; 23% of our business now comes from clients outside of Ohio, as we continue to establish our credentials as a unique resource to technology companies.

We're going on the road more these days; agency VP Jeff Kenyon spoke at a seminar sponsored by Precision Printing on print buying/production techniques, and Joel Goldstein spoke at an Entrepreneurship conference at Pittsburgh's Duquesne University about Online Advertising techniques ([click here](#) to see presentation). Watch for other news about two presentations this winter to the Greater Akron Chamber of Commerce on Internet Advertising and Brand Building.

And, although Barry Manilow PROBABLY wasn't singing about us when he recorded "Looks Like We Made It," we're celebrating the agency's 10th anniversary, a noteworthy milestone we're very proud and grateful to have achieved.

Ideas With Accountability

The philosophy of our agency is based on the principle of Ideas with Accountability. What this means to us is that the ideas an agency produces must withstand a test more rigorous than just creativity. The idea must actually work in the real world demands of the marketplace; it must be affordable by the client; and, when accepted, it must be implemented properly by the agency. These four criteria make up the philosophy of "Ideas with Accountability" that drives the programs created by Goldstein Group Communications.



Goldstein Group Communications, Inc. is a technology advertising and public relations agency specializing in creating measurable results for business-to-business clients.

For more information on any of the above stories, contact Joel Goldstein, jgoldstein@ggcomm.com, 216.573.2300.

Goldstein Group Communications, Inc.
6480 Rockside Woods Blvd. South Suite 300
Cleveland, OH 44131
Tel: 216.573.2300
Fax: 216.573.9964
Web: www.ggcomm.com

If you wish to unsubscribe to future newsletters from Goldstein Group Communications, Inc., please [click here](#).