

American Greetings Case Study

Using ion to Decrease Cost-Per-Aquisition by 20%



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— Tessa Fraser, Interactive Marketing Manager, AG Interactive, Inc.

BACKGROUND

American Greetings Corporation is a leading manufacturer of innovative social expression products that assist consumers in enhancing their relationships. The company generates annual revenue of approximately \$1.7 billion, and its products can be found in retail outlets domestically and worldwide. American Greetings has the largest collection of electronic greetings on the Web, including cards available at AmericanGreetings.com through AG Interactive, Inc., the company's online division.

THE CHALLENGE

AG Interactive drives millions of unique visitors from paid search and other online media sources. Their goal is to convert this traffic using online registration for a free trial subscription (which later converts to a paid subscription to AmericanGreetings.com).

In the past, this online traffic funneled into the www.AmericanGreetings.com home page, or a single, MVT-optimized landing page. The marketing team knew they needed to launch aggressive landing page testing in order to lift conversion rates, but faced some executional roadblocks. Implementing testing on the one landing page was slow and arduous, with a multi-month feedback loop to the marketing team. Experimentation with alternative design and content was slower still. When learning was extracted from this process it was months behind and often gave little reliable cause and effect determination.

In order to lift online conversions and reduce cost-per-acquisition, American Greetings needed to develop context-specific landing pages, experiment more broadly with content & layout and view test results & analyses in real-time. They turned to ion's enterprise landing page platform.

THE SOLUTION

American Greetings adopted ion in order to increase agility, speed-to-market, specificity and to ultimately improve conversion performance to lower cost-per-customer-acquisition. With ion's platform, AG Interactive can easily create, test and optimize landing pages without IT resources. ion's team worked closely with AG Interactive marketing manager Tessa Fraser to launch and test alternative landing experiences that were specific to market segments and traffic sources.

Within the first 3 months of testing with ion, American Greetings moved from a single, optimized landing page to over 40 unique landing pages, each context-specific to its source of traffic. Three entirely different design formats were tested with 12 different price points across over 200 different audience segments. By speaking to each segment much more specifically, American Greetings was able to increase conversions despite economic fallout that actually reduced the flow of traffic.

Each unique landing page format was quickly customized and messaged to match closely with the PPC ads that were sending traffic. The testing resulted in an almost immediate 30% increase in conversion and a subsequent 20% decrease in cost-per-acquisition (which is a net benefit that includes the added expenses associated with ion's platform and conversion services).

After a few months of ion's full-service landing page management to get them started, American Greetings now runs their landing page program on their own, using the ion platform to easily create, test and optimize in real-time. Tessa says, "There's so much flexibility in the templates. We run 13 or 14 tests simultaneously at any one time and get quick, actionable learning. And we've easily extended the platform with additional brands like BlueMountain and PhotoWorks." Over their first five months using ion, the American Greetings online marketing team has created over 700 unique landing pages tested across hundreds of unique sources of traffic.

The real-time testing & analytics in the ion platform ensure traffic arrives at best performing landing page for each unique traffic source. Tessa says "As soon as we get statistical significance on a test, we drive immediately to a champion in real time. On Mother's Day alone, the real-time change in traffic splits resulted in over \$45,000 in incremental revenue. That's revenue that would have been lost without ion's actionable, real-time approach. We don't continue to lose on any test — we auto-optimize as soon as we have significance."

WHAT'S NEXT?

New tests are always in the works at American Greetings. The conversion goal for 2010 is over 40% higher than 2009, and 2011 is targeting another 33% lift over 2010.

Perhaps the most substantial opportunity for conversion rate improvement lies in optimization of the pages that follow the initial landing page — the product romance pages. Until now, American Greetings' optimization efforts have focused solely on the initial landing pages of multi-page experiences. However, initial tests of alternate romance pages suggest that even the smallest adjustments result in significant increases in conversion performance.

American Greetings uses ion's platform to drive real business ROI at scale. Tessa says, "The little things make the biggest differences. ion's platform gives us incredibly fast speed to market and learning. It's a visual tool that lets us focus on what's working to improve our results."