Absolute Certainty in Media With Taguchi Methodology

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Slide #1

Good morning.

I'm here to inform you about a real breakthrough.

If the words "real breakthrough" came merely from me, they wouldn't be worth much. However, they come from satisfied users of a breakthrough technique. Users like you and me, who increased sales from their ads, run in various media, by hundreds if not thousands of percent.

These same glowing words were also used by inc. Magazine, PBS on-line and advertising age. PBS simply stated, "this will change advertising forever."

"Absolute certainty" means that if you follow the procedure we present here, you too can achieve huge increases in sales.

Taguchi methodology is what makes this possible, and I'll discuss Taguchi as we move along.

Our subject is ads. An "ad" is a recipe that uses ingredients. How much flour should you put into it? How much sugar? How long do you bake it? Should there be a frosting on top? What flavor?

Treating an ad – in any media – in this way, leads to miracles. Let's move on.

Slide #2

Here's what we're going to cover this morning.

First, we'll address a major challenge in advertising, called "ad testing" or maybe "test marketing." I admit that I'm not yet brainwashed with the nomenclature of advertising. I still have too much rocket scientist nomenclature to deal with.

Ad testing is expensive, time-consuming, and, it's absolutely required. So why is it a challenge? We'll discuss that.

Then we'll jump right into the advertising breakthrough that is already "changing advertising forever" – like PBS says. This breakthrough involves something that we call the "Million Dollar Ad" that significantly increases sales.

This will be followed by a few case studies that involve optimizing ads that employ on-line media like e-mail and web sties. We'll see how in each case, sales were improved by hundreds of percent.

Then we'll move to a case study where we apply this breakthrough procedure to pay-per-click advertising, using Google Adwords as the guinea pig.

In all these case studies (in fact, in all current cases that we have involved to date), the results were astounding.

Then we'll briefly talk about solutions available to you, for quickly and inexpensively achieving the maximum response ad. In other words, how you can gain the capability to do this as well.

We'll close by fielding any questions that might arise.

Slide #3

This is how ads are <u>supposed</u> to work.

Step one is that you create the ad, including its components or ingredients, which we refer to as "success factors." Remember, an ad is a recipe!

The "recipe" for a successful email ad may include success factors like subject title, message text, links to web sites, images, animation, colors, maybe some sound bytes, etc.

Step two is that your ad is created with a certain medium in mind: for on-line media we have e-mail, web site, eBay, pay per click, etc. Off-line media include direct mail, radio, TV, magazines, newspapers, etc.

Step three is that the media <u>carries</u> your ad and presents it to potential customers – your target audience.

Hopefully they will respond to your ad, and everyone will be happy.
This is the ideal situation – the way ads are <u>supposed</u> to work.

Too bad they don't <u>actually</u> work that way!

Slide #4

This is the way ads <u>do</u> work – most of the time.

Step one again: because of the press of "business as usual," ads are created quickly, usually by you or maybe with help from your advertising agency.

The ads are most often "creative" but (usually) not truly optimized for all the circumstances surrounding your product or service.
In other words, the ads are not optimized for generating huge sales.

There is a sound reason for this: there's little time, and "time is money."

A quick observation that is by no means original: an ad that is highly creative is not necessarily effective.

Step two: the media are perfectly willing to accept your ad. And they do.

But what about the target audience? (Step 3). Do they get to see or hear or experience your ad? And if they do, do they respond like you want them to? (I.E., Outrageously high sales?).

The answer, unfortunately, and emphatic "no!" Response is usually lower than expected – even with a great product or service.

Why? A major reason is that your ad wasn't adequately and thoroughly tested in the real market. But wait a minute. We said that ad testing is time consuming and expensive. And there lies the rub … you need to test ads, and you don't want to test ads.

Let's return to the three step advertising process.

Is there a winner in all this?

The answer to that is "yes!" There is a winner, indeed.

Let's move on to the next slide.

Slide #5

There are always winners in the game of advertising.

The winners are the media – the various advertising media.

This is like a boxing match: with every winner there's a loser, but both parties get batted around quite a bit.

This is no way to play the game of advertising.

There's got to be a better way. . . And there is! Recently an advertising breakthrough occurred, and that is already changing <u>everything</u> about advertising.

But first, let's delve a little more deeply into the need for ad testing (or test marketing, if you will).

Slide #6

We call the components of ads "success factors." A TV Ad may include a sound bit, active images, special effects a certain plot, etc. A Google ad, on the other hand, is only has "text related" success factors like keywords (search words or phrases), the title of the Google ad, two text lines in the ad, and a URL address.

There are alternatives (options) for each success factor in an ad. For Google keywords, one option is whether the keyword should be included or not. Another is the price level: 5 cents per click, or (perhaps) 50 cents per click.

Some "success factors" may be very important to sales, and others not so important. Finding out what's important requires test marketing. Ads having different combinations of success factors and success factor options need to be tested.

Suppose we want to sell those outrageous "ribbon belts" on the web, and that we use Google AdWords to do it. There may be 9 keywords or keyword phrases that we believe searchers will use. For each of these we must test whether or not the keyword or keyword phrase is important, and how much we want to pay Google each time a searcher uses one of them and clicks on your Google ad for "ribbon belts."

So, we can have three options for each of the 9 keywords or keyword phrases: Option 1 is "To use it or not?" Option 2 is "I'll pay 5 cents per word or phrase." A third option is "I'm willing to pay 50 cents per word or phrase, each time the corresponding searcher clicks on my Google ad (which leads the searcher to my web site for a sale.").

Let's do the arithmetic: 9 success factors (all keywords or phrases); three options each; that makes for "3 to the ninth" combinations to test, or 19,683 (I did that in my head!). This is far too many to test. Nobody will ever do it. And therefore, you'll never reach the legendary "million dollar ad." Maybe we should be happy that every once in awhile, someone like Bill Gates does strike it rich (even if it's not us!).

Slide #7

Several years ago, a team of real rocket scientists made an advertising breakthrough. They were previously applying a technique called Taguchi Methodology to rockets, electronics and cars like the Lexus.

One rocket scientist happened to walk into advertising meeting by pure accident! The problems he overheard in that meeting convinced him that rocket science was also applicable to advertising.

What he discovered was a SECRET that nobody yet knew: "You only have to test a FEW, in order to test MANY." That guy -- that rocket scientist -- was me! From that day forward, I had to stop being a rocket scientist, and PRETEND to be "Ad Person." Believe me, it hasn't been easy!

Our team developed special ad-algorithms that automatically optimized Ads for each advertising media. We VERIFIED that the Ad-Optimization algorithms worked well across all Ad Media.

Now the results are in from many clients who either purchased our first software, or who we consulted with: this system produces the legendary "Million Dollar Ad," increasing sales by <u>hundreds of percent</u> in just days and weeks, and drastically slicing test marketing costs.

Slide #8

This is the incredible short story of how this breakthrough <u>really</u> happened.

I was Corporate Director of Engineering at Aerojet, a defense products company. We made ammunition, bombs and warheads. Boy, am I glad to be out of that business, although I must say that Aerojet was a wonderful company to work for. They asked me to find and use the "best engineering tools and approaches."

I went looking first in Japan. While there I signed up for "Hell Camp," the notorious leadership camp where they beat you with rods (a few friends say it is the same in their companies, but I think they're pulling my leg).

While in Japan I met Dr. Taguchi, the global guru of automobile design responsible for Japan's proactive approach with high-quality cars, and recipient of both the Emperor's highest medal and many U.S. Society honors and awards.

Dr. Taguchi introduced me to his approach, and my life would never be the same, from that time on. I am forever grateful to him.

Slide #9

In 1986 I applied Dr. Taguchi's approach within Aerojet. On just one (weekend) experiment we saved over 60 million dollars. Our successes attracted the attention of the White House, DoD and several major corporations. Taguchi Methodology is illustrated on the right using a flow diagram.

The California Institute of Technology in Pasadena (Cal Tech for short) and UCLA came running to our doorstep, asking if I would train corporate executives there. I did this, part-time, for ten years at Cal Tech's beautiful campus, even getting to live in Einstein's room for brief periods of time (but it didn't rub off).

For the next ten years as a consultant, I applied Taguchi Methodology and a few other powerful tools (one from the former USSR) to the problems and challenges posed by Fortune 500 client clients (a short list of clients is available on the web at PresentVision.com).

By the 1990's America's automobile, electronic and chip industries had turned around; these approaches allowed them to produce high quality, lower cost products. But they realized that with Japan as a formidable competitor, their quest was a never-ending battle.

The year 2002 was very special. That was the year we first applied these approaches to advertising, with miraculous results: the necessity for test marketing was sliced by 95%, while increasing sales (from optimized ads) by hundreds of percent.

Slide #10

This is the last part of the short story. Our ad-optimization team developed ad-optimization software (on the right) – first for e-mail ads, and then for all media. These are described on our web site at Kowalick.com.

During 2003 the success stories started rolling in. I'll be addressing a few of these case studies in this presentation (not everyone wants to share their success stories, because the data tends to be highly proprietary).

These case studies were conducted either by directly using our software, or through our consulting assistance. Larger corporations tend to want consulting help.

Additionally, a few more case studies are discussed in various articles that are presented in full at the Kowalick.com web site. These articles are by: Inc. Magazine; Advertising Age Weekly; PBS On-Line; MarketingSherpa; and others.

Until 2004 arrived, we thought that we were through with breakthroughs for the time being. Then we focused on Pay-Per-Click advertising, and another breakthrough was born. I'll be addressing our explorations with a major Pay-Per-Click service, Google AdWords.

Slide #11

This is a picture of our MR2 software (by the way, MR2 stands for "Maximize Response Rate"). This is what the user gets after the short experiment is concluded: a picture of the "optimized ad" that significantly increases sales.

This particular experiment related to email. The user was experiencing a response rate far less than 1 percent. After ad-optimization, the user's ad attracted responses a rate of 4.2 percent – hundreds of percent higher than before the experiment.

Needless to say, this user was quite happy. He went on to perform further optimizations – after all, each time you optimize, you learn more about what works. In this instance, five success factors influence sales: the SUBJECT LINE of the email; the MESSAGE TEXT; the HEADLINE; the type of DISCOUNT offered; and the type of WARRANTY.

The remaining "success factors," while not influencing sales, were used to slice costs. For example, if having an image does not influence sales, then why have an image at all? Notice that there were two "warranty" factors examined in this test, and that one was influential and another was not.

Slide #12

The best way to learn something is by doing it, or by reviewing what others have done.

That's why I've chosen three recent case studies to illustrate to you how the ad ad-optimization process works.

These are all "on-line" case studies: no radio; no TV; no direct mail; no billboards; no newspapers; no magazines – although ad-optimization works well for all of these.

The first (email) case study involves a company that makes unsecured loans nationwide. Company personnel conducted this brilliant study by themselves, using our software to make <u>millions of dollars more</u> in sales.

The second case study is in two parts: a rather large computer manufacturer uses ad-optimization to maximize sales by optimizing their ads, both email ads and their entire web sites (which is really one BIG ad!). This company is <u>the most successful company</u> in its product field.

The third case study represents yet another major breakthrough in an advertising media that most users believed could not be truly optimized: Pay-Per-Click. This case study was a pilot project carefully conducted by our team. Let's move on to case study # 1.

Slide #13

Are loans applied for and granted, using email? Yes, and this company is a leader in that business. But the number of loans wasn't meeting their expectations.
They felt that their email ads, which solicited loan inquiries, were not attracting enough customers. Their target audience was nationwide. They had the potential for increasing sales by large amounts.

Their product and service was rated high.
The problem was simply: How can they increase loan inquiries, ultimately granting more loans?

The first step that they took was to purchase a copy of the MR2 email software for ad-optimization. Once again, "MR2" stands for "Maximizing Response Rate," and in this instance, "response rate" meant the rate of loans that the company made on a monthly basis.

Let's take a look at what they did. The first thing that they did was to conduct a brainstorming session.

Slide #14

From the brainstorming session, they identified over 40 potential success factors that MIGHT strongly influence the "sale" of loans. Then they "boiled these down" to a smaller number for test marketing – seven.

These "success factors" are really email ad components, each of which they varied.

For example they decided to include, in the ads they emailed out to prospective clients, 6 different "PRICING" options, 3 different "SUBJECT LINES," 3 different "MONTHLY FEES," 3 different "MESSAGE TEXTS" (really the body of the email!), 3 different "SENDERS" (the name of the party sending the email), 3 different "OPENING FEES" (for a loan), and 3 different "IMAGES" (to be included in the email).

These factors are shown on the left. Certainly they won't ALL have a major influence on loan sales. But which ones, if any, will have a major influence?

And, how many ad-combinations will these options create? That question is easy, if you happen to be a mathematician. There are 6 three-option success factors, and there is 1 six-option success factor. These are capable of creating 4,374 different ads – 4,374 is equal to 3 taken to the 6th power, times 6 taken to the first power. Please don't worry about this math – you don't even have to THINK about it to use the software!

A more important question is: "Hmmm . . . 4,374 different ads. Do I have to test ALL of these?"

The answer to this is "No! You only have to test 18 of these ads. By testing 18, you will quickly know WHICH AD, from over 4,000 ads that are NOT tested, is the OPTIMUM AD that increases sales by hundreds of percent. The entire test is QUICK and INEXPENSIVE.

This last part, and how it happens, is MAGIC. If you want to apply for a six-year, intensive PhD program on Taguchi Methodology, please see me after this presentation.

Slide #15

This is the first class in that Taguchi PhD Program, and this is a EXPERIMENTAL MATRIX. If you get into the PhD Program, you can call this an "Orthogonal Array." Each matrix is customized for each advertising medium, and for how many success factors you are using.

The 18 ads that are tested are numbered 1 through 18 in the first column of this array. The Ad-components that make up each ad tested are shown as rows in this matrix (each row represents a separate Ad). The potential "Success Factors" are shown as columns "A" through "G." They are: A-Pricing; B-Subject Line; C-Monthly Fee; D- Message Text; E-Sender; F-Opening Fee; and G- Image.

The factor A column examines 6 different options for pricing. All of the other factors (columns) examine three options each for their respective success factors.

Each test-ad (i.e., each "row" in the matrix) was emailed out to a certain small number of people; this yielded a certain response that is indicated in the last column of the test array.

Automatic analysis of these results took the software program less than a minute. The most influential success factors (for loan sales) were B, A, F and C (Subject Line; Pricing; Opening Fee; and Monthly Fee). The "winning ad combination" was A4, B3, C1 and F1 (the 4th Subject Line tested; the 3rd Price tested; the 1st Opening Fee tested; and the 1st Monthly Fee tested).

The software calculated optimum response at 3.1 % (compared with 0.9% before he ran the ad-optimization test). The new loan-sales response was 344% of the old loan-sales response. Our client was <u>VERY</u> happy. By the way, this user used a "Profitability Index" that consisted of the product of Loan-Sales Response, Risk and Loan Amount.

Slide #16

Here's a synopsis of the unsecured loan client's results.

He sent out 18 email test ads (instead of all 4,374). He was experiencing 0.9% response before the test (9 responses per thousand), and he received a whopping 3.1% response after (31 responses per thousand) – or 344% times what he was receiving. His annual sales increased by <u>millions of dollars</u>.

Testing was complete in 3 weeks, on a low advertising (test marketing) budget.

By the way, the software KNOWS which 18 of the 4,374 test-ads need to be tested! After the specially-designed test-marketing campaign using only 18 ads (not all 4,374), these algorithms identified the Million Dollar Ad.

Next, let's move on to a combined email and web site ad-optimization test. You've all heard of this next client's company, but I am not allowed to reveal his name. No doubt many of you purchased a computer from this company.

Slide #17

This is part (a) of a two-part email and web site ad-optimization case study. The company involved already has a good email program; they simply wanted to further increase their sales.

In this email case study, they decided to examine two options for some success factors, and three options for others.

They actually began by identifying a much larger number of potential success factors, and then they condensed these down to a smaller number – 11.

Let's take a look at some experimental details of this ad-optimization process.

Slide #18

The 11 success factors are shown on the left.

The 2-option success factors are two different PROMOTIONS; 2 different TEASERS; 2 different FINANCING OPTIONS; 2 different PRICES; 2 different WARRANTIES; 2 different types of DISCOUNTS; and 2 different types of PHOTOS.

The 3-option success factors are three different SUBJECT LINES; three different HEADLINES; 3 different PAGE CONFIGURATIONS; and 3 different PRODUCT MIXES.

By now you are an accomplished mathematician and can calculate the number of possible ad combinations at 10,368. If you didn't get that number, please consider switching from the PhD to the Masters program in mathematics.

How was the Maximum Response Email Ad identified? The next slide will indicate that.

Slide #19

This matrix is the FINAL EXAM! Really, it's not so bad once you break it down into its parts.

18 different email ad combinations were examined (sent out by email). Each row is a RECIPE for one of these test ads.

The success factors mentioned previously represent the columns (A through K).

This time, instead of identifying the options for each success factor by number, I filled each cell with the actual option used in the recipes.

For example, under "Promotion Type," we have two types of promotions: a promotion featuring only one product, and a promotion featuring a combination of three products for sale. Under "Teaser," we either used a teaser ("Yes") or not ("No"). And so on for the other factors.

The test results really look good, but this test is still in progress as we speak, so I can't give you the final figures. These test emails were sent out only a few days ago, and all the responses haven't come in yet.

Slide #20

This is part (b) of the two-part email and web site ad-optimization case study for our client who sells computers on the web. This company already has a fantastic web site; once again, they want to further increase their sales.

You've probably heard the term "web site optimization" used before, but it usually refers to optimizing a web site so that a searcher using a search engine FINDS it. Literally anybody can do that. It just involves constant effort.

That is NOT what this client company is doing. They are optimizing their web site so that anyone finding it simply CANNOT RESIST purchasing something. That's another matter that's much more difficult to do!

In this web site case study, they decided to examine six options for one success factor, and three options each for six success factors.

Once again, they began by identifying a much larger number of potential success factors, and then they condensed these down to a smaller number – 7.

Let's take a look at some experimental details of this web site, sales-increase optimization process.

Slide #21

Just what, on a web site, contributes to sales? Probably <u>everything</u>. But which "success factors" are the top ones -- the ones that really DRIVE sales?
The company team felt that there were seven such web site success factors: TEXT (they are looking at 6 options); COLOR, HEADLINE, OFFER, NAVIGATION, IMAGE and PRICING (all 3 options).

Once again, the total ad combinations here is 4,374, or 6 to the first power, times 3 to the sixth power.

The test matrix layout is shown on the next slide, which indicates that there are 18 different web site combinations tested, and seven web site success factors tested.

Slide #22

Here's the actual web site test matrix for optimizing the web site – optimizing it so that anyone viewing the web site will have an IRREVERSIBLE, STRONG COMPULSION to order a computer or a computer accessory, without fail.

You can see that there are six different TEXT options that are being tested, identified under column A by the numerals 1 to 6.

The other success factor options are identified by name. For example, there are 3 types of OFFERS: one offering a free ACCESSORY along with the purchase of something higher in price; one that offers TIMED payments; and one that offers "FREE SHIPPING." (by the way, it is always possible to test combinations of two or more offers).

Although this test is still in progress, some details are available on the next slide.

Slide #23

We already stated that both the email and web site tests are continuing as we speak, and that the initial (preliminary) results appear to be very good.

By the way, a "good" test includes one where the response data widely varies, from row to row in the matrix. This indicates that we did a good job in selecting widely different options for each success factor tested.

The object, however, is to select options that are ALL VERY GOOD, and that appear to have an EQUAL CHANCE of succeeding (increasing sales response).

The Web Site tests will carry into June of this year.

Two main goals for this test are:

For e-mail: Increase Response Rate

For web site: Increase Conversion Rate (the conversion rate is the number of buyers viewing the web site, divided by the total number viewing the web site). The ideal case is when every viewer is a buyer. AND NOW FOR CASE STUDY # 3 – THE PAY PER CLICK PILOT PROJECT!

Slide #24

A few words about this project.

Last year nobody on our team thought that TRULY OPTIMIZING Pay-Per-Click was not doable. We were wrong! Now we can DO it. "Doing it" means that we have the capability of MAXIMIXING CLICK THROUGH RATES, OPTIMIZING ADS and OPTIMIZING WEB SITES – all geared towards achieving OUTRAGEOUS SALES AND PROFITABILITY LEVELS.

There are many books out there on the Internet on this very subject: "How to Beat the Google Ad System"; "How to always rank FIRST PLACE"; "How to defeat gravity!" etc., etc.

But NONE of them is about REALLY optimizing Pay-Per- Click.

And in truth, maximizing click rates won't necessarily lead to maximizing sales.

That's why we saw the need for optimizing THREE THINGS at once: Web Site, Pay-Per-Click Ad, and Search Terms (or "Keywords").

And that's what we did. And that's our breakthrough.

Slide #25

On the left is a Google Search Results page, showing search results after someone used the Google Search Engine to find information. These search results always take up most of the search results page, and are shown on the left. To the right are listed some paid-for Google Ads (one of those ads is magnified so that we can read it (hopefully).

That Google Ad (suppose it is your ad) has a Title which, if clicked on, takes you to your web site. The Title in this instance reads, "Place Your Ad Here." Then there are two lines of text typically used to describe what you are offering for sale. This one reads, "See your ad on Google and our partner sites." Then there is a URL (web site) address. This one reads "www.your-url.com" Just below this ad is a little bar chart with the word "interest" to the left of the bar. The Length of this bar indicates the interest that web searchers have in your ad.

Using Google AdWords (that's the name of Google's Pay-Per-Click program) can be expensive. Or, it may not draw the traffic level you want. Or, it may draw the wrong traffic. Or, you may draw lots of traffic, but none of them buy from you.

How can all this be OPTIMIZED to MAXIMIZE PROFITABILITY for you? That is the big question. That is the question that our new pay-per-click breakthrough algorithm answers. Also, How much should you pay for keywords?

Our algorithm is in the Beta stage at this point. It should be released in summer, 2004. Now let's discuss the solution to the "How to maximize profitability by using Google AdWords?" problem.

Slide #26

The SOLUTION to optimizing Google AdWords is the Taguchi Method. This uses non-standard matrices like the ones we saw previously (such arrays are typically NOT used by Dr. Taguchi or by the several Taguchi consultants practicing this approach world wide. Most of these are <u>specially designed</u> by use, and have other features, like Bessel Functions and "TRIZ Functions", incorporated into the algorithms.

So we went ahead and developed a Taguchi-based algorithm just for Google AdWords.

We chose Google AdWords for a "Pilot Project" in which we actually went through the Google AdWords process, step by step, for a legitimate web-based business.

And the results are beyond belief – on the positive side!

This was a TRIPLE OPTIMIZATION project. Let's discuss what this means (on the next slide).

Slide #27

The three "subsystems" that were optimized for Google AdWords are the Keyword combinations; The Google Ad itself; and the web site which clicking on the Google Ad links to.

To optimize Keywords, we examined various combinations of keywords to determine whether their PRESENCE contributed to, or took away from, CLICK THROUGH RATE.

We also examined the best BID PRICES for each KEY WORD. Bid prices and keyword combinations were optimize together, as one "subsystem."

Optimizing keywords in this way leads to BEST PLACEMENT of your Google Ad on the right of a search results page.
To optimize the Google Ad itself, we used a separate array that was nevertheless "connected" to the keyword optimization array. The Success Factors for inclusion in the Google Ad were determined in standard fashion, using this array.

Also in the Google Ad array, we included web site factors, to determine which web site success factors converted web site viewers into web site purchasers.

The sum total of actual separate "tests" in this experiment was only 18, although approximately 1.5 million combinations of keywords, Google Ad options, and Web Site Options were tested.

Slide #28

This is the layout used for the Pay-Per-Click pilot project.

The array on the left leads to the optimum "set" of keywords. This set must relate primarily to legitimate customers only. The array has to optimize keyword-bid prices (the price one pays when a searcher who uses a keyword clicks on your Google Ad).

The array at the top optimizes both the Google Ad and the Web Site, maximizing click through rates (leading to more sales) and optimizing the web site for conversion of web site viewers to buyers.

The array on the lower right contains click through and sales response data pertaining to each of the other two arrays.

Let's move on to the next slide to view "results" of this pilot project experiment.

Slide #29

For the Pay-Per-Click pilot project, 1.5 million combinations of keywords, Google Ad success factors, and web site success factors were tested.

To accomplish this, only 18 of the 1.5 million combinations HAD to be actually tested. The algorithm accurately predicts which of the 1.5 million combinations is the OPTIMUM one.

The test length took only 2 WEEKS to conduct.

The OPTIMIZED CLICK THROUGH RATE was thousands of percent higher than the starting CLICK THROUGH RATE.

The Pay-Per-Click Algorithm will be released in software format during the summer of 2004.

Slide #30

What's set for the future?

It's as easy as reading this press release, which I will do now.

Like Google, which is a MUCH LARGER company than our fledgling little outfit, we have some solid plans for the future beyond pay per click.

I can give you one small hint. Just consider how many systems there are out there – not merely in advertising along – that could be "optimized."

THAT is our future.

And now for a brief summary of what you just heard.

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In summary, we have the capability to test from millions to billions of on-line ads – by only testing fewer than two dozen.

This is because we developed a breakthrough ad-optimization algorithm that leads to maximum response (usually maximum sales).

Our optimized response rates are typically increased by factors of hundreds of percent – and sometimes thousands of percent. This optimization procedure applies to ALL ADVERTISING MEDIA and to ALL TYPES OF ADS.

Test marketing costs and time are sliced by at least 95 percent.

Case studies now exist across the advertising spectrum – for all types of ads and for all advertising media.

The optimization procedure is accomplished through the use of software, or through our consulting services.

Ad-Optimization is changing the face of advertising. Thank you for your attention. Now we can have some questions.

Slide #32

Questions are solicited.

Slide #33

Questions are solicited.