



The above boxes are designed to help explain how you could test three cells with different offers and different creative as “Direct Reading” results and get one FREE reading as an “Inferential Reading cell.

With the cost of printing and postage (not to even mention creative) every test cell is a direct hit to your Marketing and Advertising Budget. Minimum list rental is usually 5000 and that might not be large enough to get a statistically valid reading. Most new test cells average a circulation of 20,000. At a cost of \$500/m you could save \$10,000 or more for each test cell program to get the initial results before starting a verification and expansion test program.

Here is how to analyze the results with the Direct and Inferential reading scenario. Assume that you have tested two creative approaches and two offers (maybe price). The box in the upper left is *Creative A* with a price of \$100 and we are going to establish the results of that test as an Index of 100 (this might even be your current Control. The box to the right has the same *Creative A* but you are testing a price of \$200 so this is a price/offer test. Note that the index reduced by 20% (but the revenue increased by 100%-double and more profitable).

The box in the lower left has a new and different *Creative C* but the same price/offer of \$100 as the box above. The new creative (let’s say) has an index of 110 or 10% better than *Creative A*. So we now know that *Creative C* is 10% better than *Creative A* and that the price/offer of \$200 is less responsive but more profitable than price/offer of \$100. Now here is where you apply the Inferential Reading to find out what would happen with *Creative C* and a \$200 price/offer. Since a price/offer of \$200 decreases the response by 20% and *Creative C* increases the response by 10% then if the lower right hand box had *Creative C* and price/offer of \$200 the inferential index reading would be **88** (10% higher than *Creative A* and 20% (because the result of \$200 price/offer is 20% less than \$100 offer).

The result is a FREE test cell and in this case the free cell is more responsive and profitable than the other three test cells. A direct reading is necessary to verify this cell as a Control and create another test scenario.