5 Steps to Developing a Successful and Scalable Conversion Optimization Strategy

Since 2007, WiderFunnel has been testing and dramatically lifting clients’ conversion rates. The system described here is based on learning from thousands of A/B tests for hundreds of clients in many industries.

Marketing Optimization for All Business Models
What would a 10%, 20%, 50% or 150% rate increase in conversions be worth to your business?

Results like these are not only possible; they are the expected outcomes of an effective and well-executed Conversion Optimization strategy.

Conversion Optimization — what is it and why it matters

The solution to under-performing websites.

This whitepaper will help the Manager, Director, C-suite or Owner-operator of a website to develop a business case and strategy for implementing a Conversion Optimization approach to improving the value of their online marketing.

Most business websites are under-performing. The evidence is clear: high bounce rates, and low time on site. For website managers, this means few leads being generated and lack of ROI from marketing activities.

Conversion Optimization is the discipline that remedies these problems.

There is consensus that most websites today perform miserably at meeting the needs of visitors.
Conversion Optimization: part science, part art

Conversion Optimization is the “science and art” of testing to maximize the percentage of website visitors that become customers.

There’s more to conversion optimization than just conversion rate lift.

Part of the problem is in the name. “Conversion rate optimization” as a term is a misnomer. It puts the emphasis on the measurement of success rather than the outcome of success.

The conversion rate metric should be the method to answer your important business questions, not the end in itself. Thinking about it in a broader decision-making context re-orient your ideas from just tweaking and tuning minor page improvements to be a way of making important decisions.

What we’re talking about isn’t just “conversion rate optimization.” It should be “Strategic Marketing Optimization,” where the smart business makes all their decisions based on scientific testing rather than gut feeling alone.

We even created a manifesto about how much we love testing.
Why organizations create under-performing websites

**Creative ownership**
Many companies still approach web design as a creative project and not a business. If the goal of a website is to generate sales, it should not be evaluated on how “exciting”, “engaging” or “cool” it is. It should be evaluated on business results.

**Personal opinion**
Human beings carry assumptions and professional opinions about many things, including how a good website should look and perform. It is impossible to push aside preconceptions without a rigorous process that continuously challenges ideas to prove —with statistically valid measurement methods— whether they are in fact correct.

**Over-emphasizing Usability Testing**
Some companies confuse Conversion Optimization testing with Usability Testing. Usability Testing is purely qualitative feedback that should be verified through quantitative testing. While Usability testing can play a role in Conversion Optimization to provide ideas for hypothesis development, it does not provide reliable, actionable and statistically valid information.

**Team experience**
Successful Conversion Optimization requires a cross-disciplinary team with a broad and unique set of skills that most companies simply do not have in place. Successful Conversion Optimization requires experience in persuasive marketing, user experience, design for conversion, direct response copywriting, neuromarketing, psychology, hypothesis development, web analytics, technical test setup, and a huge database of prior tested learning to draw on. These are not commonly available assets.

**Lack of awareness**
Many companies are not aware how accessible Conversion Optimization testing can be today. Testing tools are affordable and experienced professional services can provide significant conversion rate lift to make large ROI multiples possible.
WHY CONVERSION OPTIMIZATION

Developing the business case for Conversion Optimization

Making a business case for Conversion Optimization testing is easy. You just need to know a few key metrics for your business.

To calculate your ROI potential, you’ll need to know your:

- Monthly traffic
- Current conversion rate
- Average value per customer

Every business that values their online traffic can and should be doing conversion optimization testing.

The amount you should invest will depend on this potential revenue calculation.

Particularly on high traffic websites, the cost of professional planning and testing will often be returned many times over.

Here is a simplified view of what the potential ROI from well-planned Conversion Optimization can look like for your website:

100,000 Avg. Monthly Visitors x 1.5% Current Conversion Rate x $400 Avg. Customer Value = $600,000 Current Monthly Revenue

100,000 Avg. Monthly Visitors x 2.09% Potential Conversion Rate x $400 Avg. Customer Value = $837,360 Potential Monthly Revenue

Assuming that average customer value stays steady (it’s been known to increase along with conversion rates in some cases), the above example would result in an additional $2.85 million in yearly revenue.
Step 1: Align Website Objectives to Business Goals

Use the concept of a Goals Waterfall to ensure a direct line-of-site from marketing optimization goals to the business goals.
What are your business goals and how does the website support them?

A critical part of a website’s strategic plan, which is rarely documented, is prioritization of objectives. Unclear objectives produce unclear results, which lead to website confusion and disarray.

Try this: Ask six people within your organization what the website’s primary objectives are, on a page-by-page basis, and write those down. You may hear sell answers like:

- Provide information about our company
- Generate leads for our sales team
- Support our communications campaigns
- Provide customer support
- Educate customers
- Engage with the brand
- Gather email addresses
- Sell our products
- Promote social media activity

Multiple objectives within web pages leads to confusion. If your organization cannot identify one primary web page objective, the outcomes of your Conversion Optimization efforts will be doomed.

The objective for each conversion optimization test should be determined based on how well it supports the overall business goals on the website: Business goals determine Website goals, which in turn determine web page conversion goals.

Understanding a $ value of each goal will help you optimize for the right outcomes.

Digital marketers typically need to prioritize website e-commerce or lead generation goals.

However, you may also have secondary objectives like: newsletter signups and content downloads. What is their value?
Step 2: Identify Test Opportunities

A conversion funnel is the set of steps (i.e. web pages) a given website visitor has to go through to complete an action on the site.

After aligning website objectives to business goals you need to identify and prioritize all the conversion funnels. Then, create a prioritized list of pages, funnels and user scenarios to improve.

Get buy-in from all stakeholders in the company and then start testing from the top of the list.

Try this: Leverage your web analytics data. Look for pages with the following:

- High traffic; low conversion rate
- High exit rate; and/or high visitor acquisition cost.

In essence, you need to find areas where there is a lot of expensive traffic that is converting poorly.
Step 3: Generate *Great* Hypotheses

The results of Conversion Optimization tests will only be as good as the hypotheses you test.

...but great hypotheses are not obvious.

Hypothesis creation is where your skills as a Conversion Optimization expert will be tested. Using a framework for analyzing your prospects’ experiences will help in your idea-generation stage.

The LIFT Model provides a framework showing the 6 Factors that are affecting your conversion rate that can be used to develop test hypotheses.

**The Core Factor: Your Value Proposition**

As the LIFT model shows, the vehicle that provides the potential for the Conversion Rate is your Value Proposition, making it the most important of the six factors. The other five are either conversion drivers or inhibitors.
The three conversion drivers are as follows:

1. **Relevance**
   Does the landing page relate to what the visitor thought they were going to see when they clicked on a link to land on your page?

   The Relevance of the Value Proposition and context of the source media is critical. Each web page must use terms visitors can relate to and be consistent with the incoming link or the visitor will be disoriented and leave the page.

2. **Clarity**
   Does the landing page clearly articulate the Value Proposition?

   Clarity of communication via content, layout and design is the most common of the six factors that marketers struggle with. The two aspects of Clarity that must be analyzed are Design and Content. Designing for Clarity creates an unimpeded — eye flow. Content clarity ensures the images and text combine to minimize comprehension time.

3. **Urgency**
   Is there an indication that the action needs to be taken now?

   Urgency has two components: Internal (or how the visitor is feeling upon arrival) and External (or influences the marketer can introduce to the visitor). While Internal Urgency is generally pre-existing when the visitor arrives on the page, the tone of the presentation, offers and deadlines can all influence External Urgency.
Two factors that inhibit website conversion rates

The conversion inhibitors are as follows:

1. Anxiety
What are potential misgivings the visitor could have about undertaking the conversion action?

Anxiety is a function of the Credibility built with the visitors and the Trust the web visitor is being asked to have. The lower the credibility, the higher the anxiety your prospect is experiencing.

2. Distraction
Are there items on the page that could divert visitors away from the webpage objective?

The more visual inputs, copywriting, and action options your prospect has to process, the less likely he or she is to make a conversion decision. Test how to reduce page elements to increase the conversion rate.

Creating the right hypotheses

Each one of the weaknesses uncovered through a LIFT Analysis generates potential solutions (hypotheses). Conversion Optimization experts will use these six factors—as well as many other sub-factors—to develop test hypotheses.

There are also many ways to gather source data for improving the quality of hypotheses, such as:

- Usability testing (formal or quick & online)
- One-on-one interviews
- Click heatmaps
- Visitor path and abandonment recording tools
- Website feedback questionnaires

Try this: Experience being a customer on your own website – the insights will most likely surprise you.
One A/B or Multivariate test alone does not make a Conversion Optimization strategy. Research shows that the greatest contributor to landing page optimization success is repeated, structured testing.

Business people new to testing often run into corporate inertia—or outright resistance—to testing as a means to improve. Entrenched methods of decision-making are often hard to overcome. A “Marketing Optimization Champion” will often have to sway corporate culture or negotiate for resources to implement tests.

Here are tips to being an effective Champion:

• **Secure organizational buy-in** early from stakeholder groups like IT, Marketing, Sales and Management.

• **If you face a challenge getting approval** for a comprehensive strategy, start with a pilot project on a targeted landing page to create momentum, then build a strong business case.

• **Resist the temptation to stop testing** if the first attempts don’t meet expectations. Make a continuous improvement commitment and stick with it until you get statistically valid results.

• **Often, simply bringing in experts** to help develop the business case as well as the Conversion Optimization strategy can overcome corporate cultural resistance.
Step 4: Execute a Cycle of Continuous Improvement

The best results require a smart and agile strategy.

There are lots of tools that enable fast, agile testing, but don’t believe the hype that tools alone will give you great results. They’re just an enabler of your strategy.

You need both Speed (giving agility) and Lift (from smart ideas.)

You can actually get better results with fewer tests but a better plan.

But the best results come with an iterative testing process that is both agile and smart.
Step 5: Analyze Results for Insights

There’s more potential from conversion optimization than just conversion rate lift

A winning A/B test result is often just the beginning of the test's value. There’s much more to gain from a smart analysis of the results.

While it’s easy to find the “What?” in a test result, the more powerful insights come from asking “Why?” By comparing the performance of your test variations, you’ll discover insights about your prospects that can lead to even better tests.

No more losing tests!

Another benefit of this analysis is that you'll never again have a losing test. Even if a test doesn’t give you an immediate win, if it’s planned and analyzed right, you’ll learn something to feed into the next test round.
Avoid Common Conversion Pitfalls

Don’t make these common Conversion Optimization mistakes:

- **Not using a tool designed specifically for A/B/n testing** such as a web analytics or pay-per-click ad management tool. Without considering the test’s confidence level and controlling for return visitors, you are back to guessing.

- **Testing unimportant web pages first.** Testing the wrong areas of the website can waste valuable time and effort. By prioritizing the most critical areas based on their Potential, Importance and Ease of Implementation, you can optimize the optimization process.

- **Testing unimportant things first.** Don’t back yourself into a corner and limit your potential for improvement. If you start by testing inconsequential elements, or even important elements within a poor architecture, you will hit a conversion ceiling too soon.

- **Not getting a ‘quick win’.** To gain or maintain support within the organization, you need to show significant positive results quickly.

- **Judging your potential by the results of your first tests.** Conversion rate improvements do not happen evenly. You are more likely to have several inconclusive tests mixed with one significant improvement test so stay committed to the strategy until it pays off.

- **Starting with multivariate testing.** Multivariate testing is technology that attracts many to start testing, but it is usually not the best way to launch the strategy. Beginning with too many variations is one of the most common problems, and it’s harder to avoid with multivariate testing than with A/B/n testing.

*(more on next page)*
Avoid Common Conversion Pitfalls

Don’t make these common Conversion Optimization mistakes:

• **Not getting an outsiders’ perspective.** You work too closely with your own website to be objective. The value of an experienced Conversion Optimization agency in bringing a new perspective cannot be overstated.

• **Trusting “best practices”.** Do not look for "best practices" tips. They do not consider your unique context or solve your prospect’s needs.

• **HiPPO or committee approvals.** The HiPPO is the Highest Paid Person’s Opinion in your organization. Too many layers of approvals will kill your best test ideas. You need to be able to test dramatically different (even unusual) variations without pre-judgment. It’s easier to get approval to make a change once you can show that it will increase sales with statistical confidence.

• **Stopping the test too early.** You need to understand what your test results are telling you to know when you can declare a winner. Make sure you rely on statistically significant results.

Allowing HiPPOs to rule your decision-making will hurt your conversion optimization plan and your business.
THE FULL SERVICE OPTION

Bring in an experienced team to get results faster

To see better results sooner, you can hire a dedicated conversion optimization agency, like WiderFunnel.

Since 2007, WiderFunnel has been providing full service improvements on website conversion funnels for a wide range of clients, across all industries and in three continents. By hiring an experienced conversion optimization agency with a proven track record, you are leveraging the results of thousands of successful test results to gain a competitive advantage.

The Kaizen Method™ is WiderFunnel’s Conversion Optimization process. It ensures that our Testing, Web Analytics and Website Design services work together to achieve your business objectives.

WiderFunnel begins with an in-depth analysis of your web analytics data, business goals, marketing research, technical environment and demand-generation campaigns.

The Kaizen Plan prioritizes all your optimization opportunities so our effort is focused on the highest-return areas.

Then, our ongoing, iterative testing delivers dramatic profit lift site-wide.
THE FULL SERVICE OPTION

The Marketing Optimization System™

With the Kaizen Plan as the strategic guide, the team executes the test rounds on specific web pages and site-wide elements. Test rounds include everything, from hypothesis creation, test planning, design and copywriting, code development, technical implementation, and results analysis.

The 7-Step Testing Cycle

1. **LIFT Analysis**
   Our cross-disciplinary team analyzes each priority test area from the perspective of your unique prospects and identifies all the conversion barriers. We will usually identify dozens of problem areas that can be improved, even on the best websites.

2. **Hypothesis Creation**
   The creation of valid test hypotheses is one of the most critical steps in the process. Our experienced conversion strategists identify the most important hypotheses that will dramatically lift your profit and generate critical marketing insights.

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The Marketing Optimization System™

3. The Funnel Experiment™ Map
The Funnel Experiment Map is the document that specifies the test design. It includes the experiment objective, structure, traffic estimates, LIFT Analysis, hypotheses, the number of test variations, wireframes, timing and technical notes.

4. Graphic Design & Copy Development
Leveraging the learning from thousands of successful tests, our conversion-trained graphic designers and copywriters create and fine-tune the test variations from a conversion perspective.

5. Technical Installation & QA
Our relationship with your IT team is a priority for us and we engage them early in the planning process. When we deliver html, css and technical setup instructions, our developers will already have had conversations with your developers so that there are no technical implementation surprises. We will adapt our process to your coding, QA and launch requirements so the implementation is smooth.

6. Test Launch & Daily Results Monitoring
Once the test launches, WiderFunnel monitors results and makes recommendations for when to prune variations and when to declare a winner. Clients also have login access to view ongoing results at any time (Warning: it can become addictive).

7. Results Analysis & Recommendations
Once the experiment achieves statistical significance, WiderFunnel presents a detailed Results Analysis with recommendations for the next test in the Kaizen Plan. The winning page can be immediately implemented as the new Control page for all visitors so that the conversion rate improvement is locked in.

We create & maintain your custom marketing PlayBook, which will provide guidance to your internal and external web design resources so they no longer guess what might work on your site. Instead, they will have proven results on which to base new design across your site.
Great results happen for WiderFunnel clients in all industries.
Would you like to lift your conversion rate and profit?

Find out how WiderFunnel can help you get more leads, more registrations and more sales—fast!

Call Us: +1 (604) 800-6450
UK: +44 020 3286 8867

Email Us: iwant@WiderFunnel.com

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