

PrimeHostWP.

# The Ultimate Guide to Conversion Rate Optimization

Unlock the secrets to turning website visitors into loyal customers with this comprehensive guide. Learn proven strategies and tools to maximize your conversion rate and grow your business.

ALL RIGHTS RESERVED

<https://primehostwp.com>

# The Ultimate Guide to Conversion Rate Optimization

## How to increase conversions on your website without spending more

Conversion rate optimization or CRO (not Croatia or crypto coin!) is the process of optimising a website for more conversions. In other words, how to leave less money on the table while utilising your existing resources.

CRO is an integral part of any growth marketing plan because it allows a business to experiment, learn fast, adapt, and keep improving. Experimentation is at the core of any CRO program.

Companies like Amazon and Netflix have experienced tremendous growth due to the number of experiments they run.

Here is a video link with Jeff Bezos talking about the importance of experimentation on Amazon's growth <https://bit.ly/3rBTAex>

Sean Ellis, the father of growth marketing, describes similarly how companies like Twitter and Dropbox's success was a result of the number of experiments they ran.

[View](https://bit.ly/3hcyaIU) video at <https://bit.ly/3hcyaIU>

The role of experimentation is very critical in driving growth primarily for three reasons:

1. Most importantly, it is the engine that will fuel marketing organisations with insights about their customers' behaviours, preferences, motivations, and the reasons they buy from you or why they do not.
2. Experimentations will allow you to shape how you market to your existing and potential customers. If you do not know who your customers are, then how are you going to target them with the right product, message, distribution channel and price?

3. Increase conversion rates and sales in general– Although this is usually associated with vanity metrics such as increase in sales, conversion rates, drop-in bounce rates to name a few, it plays a very critical role in learning more about the customers and increasing revenue that pretty much fuel everything. It is simple, the more people convert, or the higher the order size is the more your revenue increases.
4. Shape customer habits – Although increasing sales for the quarter is a great vanity metric, experiments should also focus on shaping habits and behaviours and have a longer-term view, for instance, how do we make more customers use our loyalty program, as a result, we will collect more information about their habits which as a result will help us know more about them. And from the consumers point of view, the more they use our loyalty program, the more they save, the more benefits they get, hence the higher the chances they will come back and purchase from us.

The Genius Loyalty program at Booking.com is a great example, where members get exclusive offers and discounts not available on other channels or to regular members.

According to their Director of Experimentation, Booking.com runs over 1,000 experiments at any given moment.

Benefits of conversion rate optimization

There are four key benefits of conversion rate optimization:

- Increase revenue & quality leads. Whether it's more revenue, more quality leads, or to simply leave less money on the table, CRO is all about optimising what works best to meet your objectives and avoid wastage of resources.
- Improve paid media ROI and budget efficiency. The more optimised your website and customer journey is, the higher the ROI from paid

media will be. Thus, you are increasing revenue and maximising your budget efficiency at the same time.

- Understand your customers. You can now get a clear understanding of your customers' behaviour and stop guessing why they buy from you and why they do not. Key insights will also reveal their future needs.
- Build a growth culture. Lay the foundation for an internal growth culture based on experimentation by listening to customers and data insights. Avoid mistakes that are usually the results of personal opinions.

How to calculate conversion rate

If you want to find out your website's conversion rate, all you need to do is use the below formula.

Conversion rate = Conversions / Website visits \* 100

Conversions can be any goal a business wants to reach, such as revenue, leads, newsletter subscriptions, and clicks to name a few.

What is a good conversion rate?

It all depends on the industry and what a business sells. For high-end luxury brands, conversion rate may be too low because few people can afford a very expensive bag, as opposed to daily consumable products that may have very high conversion rates.

Conversion rates may also fluctuate based on seasonality, geography, promotions, or special market conditions, where we saw some sectors experiencing a huge growth whereas others totally collapsed.

Conversion rates may also vary depending on devices, especially in some industries such as travel, although more than 60% of website traffic is on mobile, travellers still prefer to book via desktop.

## **The importance of a CRO framework**

Tools like Google Analytics or other website analytics tools are great for quantitative analysis, they can tell you what is happening but cannot answer the most important question, WHY things are happening the way they are.

That's why it's important to have a CRO framework in place that evaluates various key elements in order to get a more holistic approach with better results.

A CRO framework is a set of processes and operating procedures that allow for a holistic approach in order to uncover insights and data that will be critical to increase conversions.

Here is an overview of the different components a solid CRO framework should consist of in order for a business to grow without spending more, utilising existing resources instead:

- Website technical analysis – A deep dive on your website technical analysis such as speed, cross browser and device analysis. Website speed plays a significant role in website drop offs, so do not let this be the reason your website visitors are not taking action. Remove content that adds extra bandwidth such as large size images, flash components and third party widgets.
- Quantitative analysis with website analytics – Dig into your website analytics data and understand what is happening, by who and where in your website. What are your top performing landing pages, what are the geo locations most of your visitors come from? Where are they dropping off on the way taking an action? These are some critical questions you need to answer.
- User research – Understand your website visitors' behaviour and future needs. During this phase, interview your website visitors, run website heatmaps, launch surveys, and record

visitors' sessions. Do not just assume you have these answers because we tend to be biased, talk to your users, you are not looking for quantity here, rather quality set of data.

- Digital customer experience evaluation – A deep dive on how your customers interact with your business across all the different digital touch points. Similarly, walk through to the same path your customers do and try to understand the reasons they behave the way they do. This is a real representation of the different stages/steps prior to taking a desired action e.g. buying your product. What sites do they visit, whom do they talk to? Do they trust review sites or use dark social e.g. forums and their friends' opinions?
- Competitor research – How do your website visitors view your competition and what are you lacking? Make a list of your top 5 competitors and analyse where you stand against them. What are the areas you think you need to improve upon or maybe how can you position yourself differently so you create a unique selling differentiator.
- User interface heuristic evaluation – Evaluate your website against a set of usability principles. There are different heuristic principles but I would strongly suggest focusing on Jacob Nielsen's 10 Usability Heuristics. The goal of these is to evaluate if your website allows its users to navigate using as little cognitive load as possible, how do you make a website that is easy for users to use and they do not need to think too much on how to move around. The less you make them think e.g. where is the logout button, the higher the chances they will stick around and take action,
- Website copy evaluation – How convincing is your website's copy to make people take action? Have you noticed why ugly websites tend to have higher conversion rates than fancy ones? Because they focus a lot on great copy, that stimulates users' emotions and makes them want to explore more.

Website visitors DO read the content they think is critical to make a decision. Do not be afraid of writing long website content copy as long as it helps your website visitors understand better how they will benefit from taking action e.g. buying your product.

- Form hypotheses – Form potential conclusions as to why your website conversion rate is not where it should be. Once you collect all this information, you start forming hypotheses on why your website visitors are not converting.
- Test hypotheses – Test these potential reasons with actual website visitors running A/B or multivariate testing and form new hypotheses if needed. You need to remember here that this entire CRO framework is not linear, once you start testing hypotheses, you may require to go all the way back and talk to your users again based on your findings. Testing hypotheses is a long but crucial part because simply your customers and users will not give you all the answers, you need to form conclusions based on their behaviours.

## **CRO Strategy**

It would be great to provide a list of CRO strategies one should follow, but in order for a strategy to be successful, it needs to be adjusted to a business's unique needs and the environment in which it operates.

However, here is a great framework you can use in order to craft your business's CRO strategy:

- Evaluate current numbers – What are your existing conversion rates? Don't just give a generic number, break it down into business segments, countries, products, product categories, leads for specific events ... Being as specific as possible helps to create the ideal strategy.

- Set objectives – What do you plan to achieve from the CRO strategy, be as specific as possible. Again, break it down into segments, countries, products, product categories, leads for specific events – the more specific the better.
- The strategic plan – How are you going to achieve these objectives for your conversion rates? What is the framework you are going to use, what are the elements of this framework and how are they going to be executed?
- Set responsibilities – Who will run the CRO program? Is it going to be done in-house or will you work together with an experienced agency?

## **Running Experiments**

Running experiments is not a complicated process, however, it requires that you put a plan in place so you get the most out of it. Experimentation will allow your business to grow faster without having to invest considerable amounts of money and resources in advance.

**Planning** – In this first stage you are trying to put the foundation in place. What are you going to experiment with or test and most importantly why?

Most companies test or experiment based on their teams' ideas, these are certainly valid, but we often tend to be biased. Instead, listen to your customers first.

Analyse and evaluate patterns and see beyond the numbers of

- Website session recordings
- Heatmaps
- Survey questions and customer interviews

Based on these, then you can derive some potential ideas to test. For instance, if you enable an exit survey on your website and see people leaving comments starting with "hi..." what hypotheses can you derive from here?



Could it be that they want to talk to someone live? What if you test having a live chat option, will that help to reduce friction and increase the chances of them converting?

Here is a great template from erindoesthings.com to use on forming a solid hypothesis statement.

Based on (insert data, observations, research), we believe that (insert customer problem)

Because of this (consequence of customer problem), if we (insert solution here), then (insert anticipated impact of solution here)

We will know this is true when we see (insert metrics and expected impact on that metric)

The hypotheses will get everyone in your team aligned and it really needs to be based around solving the problems you identified during your research process.

But how are you going to prioritise your hypotheses? A great way to do this is by using the below parameters:

- Confidence: On a scale of 1 to 5 (1 being the lowest, and 5 being the highest), how confident are you this hypothesis will help you solve the problem you identified?
- Importance: On a scale of 1 to 5 (1 being the lowest, and 5 being the highest), how important would this solution be for your website visitors towards solving the problem?
- Ease: On a scale of 1 to 5 (1 being the most difficult, and 5 being the easiest), how easy would it be to implement this hypothesis?

In addition to that, do you have enough data to conduct A/B tests? You can use the below tool to identify if your website traffic is sufficient to run experiments. <https://abtestguide.com/abtestsize/> Not all sites have enough traffic to test ideas, yes that's reality.

What KPIs are you going to use? Look for success indicators and not vanity metrics. Leading indications show changes in trends, for instance more people using your loyalty program. Vanity metrics make us look good and tend to be short lived e.g., bounce rate.

**Execution** – During this phase it's time to execute your hypotheses and put them into action with actual users.

Go into your experimentation A/B testing tool and make the required configurations.

You can now go live!

There are plenty of great tools that allow you to run A/B tests such as

- Vwo.com
- Optimizely.com

However, running experiments could become more complex as you want to test ideas that require great changes in your existing website design. For instance, removing elements, adding elements, changing structure of pages or of a checkout process.

In this case, it is highly recommended you work together with a CRO agency that has the technical expertise to make the changes needed.

You can find a lot of qualified experts or agencies at freelance marketplaces such as upwork.com

**Monitor** – Once experiments are live make sure you monitor them often, however, avoid making any conclusions until statistical significance has been reached.

Based on experience, it's best to run any experiments for at least 3-4 weeks, this will give you plenty of time to ensure you are collecting enough data and any decision you make is backed up by statistical significance.

**Collecting Results** – Once you have collected sufficient data, you can now start forming conclusions on how to solve the problems you identified during your research stage.

It's common that data may not be conclusive, which leads you into having to form a new hypothesis.

Present learning to your management team and align on what needs to be done to move forward.

Experiments and A/B tests are a continuous process that runs in a cycle, it is not linear, and it often requires that you go back and re-evaluate if your hypothesis is right.

### **How to get started with CRO**

Getting started with CRO requires that the organisation is open to actively listening to its customers and continuously striving for improvement.

1. Start by defining the problem that CRO will help you solve.
2. Assign a team in charge of the CRO program or work with an experienced agency.
3. Define clear goals and objectives of the program.
4. Ensure you are following a CRO framework and not just some random ideas.
5. Kick off program.
6. Monitor progress often.
7. Evaluate results and improve continuously.

All rights reserved

PrimeHostWP

<https://primehostwp.com>