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The Business Case for Conversion Rate Optimization

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Executive Summary

This whitepaper explores the business value of conversion rate optimization and investigates ways to refine a conversion rate optimization strategy and implement proper testing methods. It will also examine the need for this process to be a cross-functional marketing initiative.

Other areas of focus include:

- Innovation and iteration testing
- Testing thresholds and timeframes
- GearyPMG case study examples

Before exploring ways to test and improve conversion rate optimization (CRO), it is important to define what we are examining. Simply put, conversion rate optimization is the “art and science of persuading your site visitors to take actions that benefit you” (King, 118). In other words, it is the process of maximizing the number of website visitors that become leads by identifying why users are converting and correcting why they are not. Increasing conversion rates is an expected outcome of CRO, and by continuously testing to improve conversion rates, marketers can boost their lead generation efforts. CRO testing, when ongoing and used in conjunction with rigorous data analysis, creates a clear picture of user behavior and optimization opportunities.

It is commonly understood that most websites under perform, and there are many causes for this. Inefficient design, poor usability and a lack of awareness are just a few of the factors that can lead to high bounce rates and low conversion rates. If a website is not clear in its messaging and calls to action, it will not meet conversion goals and leave the user unsatisfied with their web experience.

An un-optimized website will have an average conversion rate of 3.1 percent or below. When conversion rate optimization is executed correctly, it can increase conversion rates between 50 and 200 percent, and there are occasions when resultant increases are higher (King, 111). In light of this information, the argument for

implementing a conversion rate optimization strategy is simple; generating more high quality leads is good business sense. Websites with a solid CRO strategy benefit from increased sales, revenue and leads, additional page views, better user engagement and a reduction in customer acquisition costs (King, 112).

What does conversion rate optimization entail?

There are several common misconceptions about CRO; one of which is that a website can be optimized through simple creative changes. Another assumption is that CRO only consists of implementing standard best practices, and that identifying improvement opportunities is a matter of guess and check. Every website is unique, so CRO requires a clear picture of a site’s goal, an integrated strategy, cross-functional input and analysis throughout the optimization process.

At all stages of CRO, it is necessary to draw from the expertise of different teams because conversion does not happen in one step. Optimizing the entire conversion funnel that leads users to the final conversion step is paramount to driving long term conversion rate improvements. Strategy minded testing starts at the top of this funnel and works its way down, pinpointing problem areas. Involvement from creative, marketing and analytics teams is essential to extracting the correct data to make

decisions about components that will actually improve conversion rates.

It is important to understand that the end result of CRO is better communication with the user and that it is “vital when starting a conversion project to focus on long term goals” (Forrester, 173).

Communicating the same message at various conversion stages proves value and reliability to users, which is necessary for improving conversion percentages. A better understanding of users and how to communicate a message to them is the key to generating better sales and higher quality leads. Testing is a critical part of the process, but it will not be effective unless placed in the context of a broader, goal-oriented strategy. Understanding customers and competitors, paying attention to market trends and continually revising both testing and surrounding strategies are necessary to maintaining high conversion rates.

What You Should Know About CRO

There are several important things to know about conversion rate optimization. An understanding of the types of web properties you will be working with is one. There are three types of web properties to work with during the CRO process: landing pages, microsites and conversion paths. A landing page is a single page dedicated to an advertisement and/or promotion. This page generally contains a lead form followed by a post conversion thank you page. Microsites are

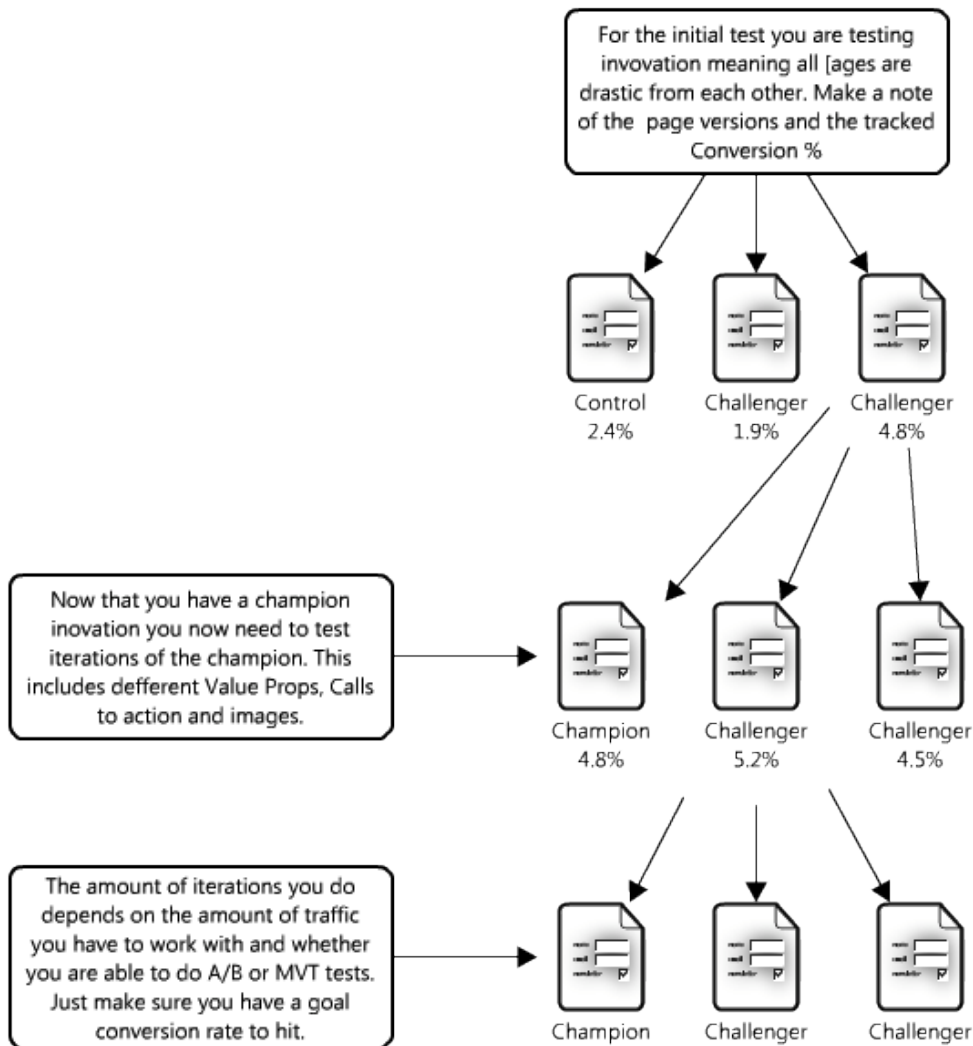
similar to a landing page and are still dedicated to a promotion, but they contain more pages and navigation. A conversion path leads users through a similar process as a microsite, but it does not provide user navigation. A normal conversion path starts with a page designed to segment website traffic and direct users down different paths to conversion that relate to needs or affinities. For an education marketer, an example of this is a page that asks visitors if they prefer on-campus or online courses. After noting their preference, users would see information that aligns with their selection, which would have a positive impact on conversion rates.

During the testing process, landing pages, microsites and conversion paths will be classified as one of the following states: control, challenger or champion.

- Control: The page with the original design and baseline data
- Challenger: The new design that you are putting up against the control
- Champion: The design that performs best during testing

Testing can be done in different ways, and it will need to be continually monitored and revised based on conversion goals, understanding of user behavior and analysis of statistically significant data. The basic test can be done in two ways, using innovation or iteration. Innovation testing will compare brand new designs with the control

design. More often than not, it is simply an A/B test that compares an entire page to another entire page (or any number of entirely different pages, as in A/B/X). Iteration testing will compare designs similar to the control, but with slightly different features such as images, calls to action, value propositions and creative treatments. This test can be an A/B test or a multivariate test, which looks at more than one element of a similar page simultaneously. The variety of your testing will depend on your needs, but the more significant data you acquire, the better the end result will be.



The length of testing will depend on two key factors: how much traffic your website is attracting and how many components you are testing. A page with high traffic volume will need to be tested for a shorter period of time for each test variation. A certain number of visitors to each variation of a test will be imperative in gathering the correct data and finding a champion. Additionally, the more items being tested on each page the more time it will take to find data in which you can be confident. There is a limitless amount of data available with limitless testing, so the key to optimization is finding the correct data.

The outcomes of testing can oftentimes be surprising. A challenger will not always outperform the control, but this does not mean the test was futile. Each test will provide useful data because it provides insight about the user and how marketers can best advertise to them. For this reason, it is also important to remember that testing and analysis must be part of a continual process; as users evolve the full value of CRO can be observed.

The Process

Once there is a clear goal in mind and the parameters around testing have been decided, planning for data collection and analysis can begin. An imperative step in developing a test strategy, is deciding which data points will be trafficked and analyzed. Analytics software offers marketer various levels of tracking abilities; for

example, Google Analytics can track and measure up to 25 data points. No matter which solution is used, the more goals created, the easier it will be to segment the data and draw correct optimization conclusions.

The information gathered is ultimately about the user and will help define their typical conversion behaviors. Analytics will focus on what drives users to convert, which pages they land on, which pages they bounce from, the keywords that drive action, hot spots on the design and confusing forms. Each of these pieces of information will present a clearer understanding of your user.

Case Studies

A GearyPMG case study shows the effect of conversion rate optimization, specifically iteration testing. This project involved a website that historically converted at 2 percent. With a limited budget, GearyPMG needed to increase lead volume. After conducting an analysis of the site's conversion funnel, we were able to capitalize on optimization opportunities. After the changes, the website's conversion rates increased from 2 percent to 3.5 percent. This change almost doubled the lead volume.

Another GearyPMG example involves innovation testing. In this case, we were able to test a brand new page design against the control site. After studying the interactions with the current page, GearyPMG built an optimized webpage that increased conversions from 2.35 percent to over

3 percent. This resulted in a dramatic increase in lead volume, and optimization of additional pages to address flaws at multiple steps of the conversion process.

Getting expert help

Proper conversion rate optimization demands diligent management and marketing strategies that incorporate a marketer's branding and corporate goals. If you believe your performance marketing initiatives are not succeeding as well as they could, consider partnering with an agency that specializes in conversion rate optimization. This will ensure your web properties are supporting corporate business goals, attracting viable website traffic and generating quality leads.

When evaluating potential partners, consider the following:

- Do they provide robust technology solutions to ascertain conversion rate improvement opportunities?
- Can they execute extensive testing and optimization procedures to continually advance your campaign performance?
- Are they knowledgeable in multiple areas of lead management tactics like display media, search engine marketing and social media marketing?

- Do they have extensive experience in your industry?
- Can they provide recommendations based on a holistic conversion process or is their purview limited?

Answering these questions will make certain that potential partners view conversion rate optimization from a holistic perspective. This integrated and all-inclusive view guarantees that performance marketing campaigns are expertly and successfully executed.

About GearyPMG

Geary's Performance Marketing Group (GearyPMG) is a leader and innovator in performance-based marketing. For over a decade, GearyPMG has been supporting branded digital performance marketing and online lead generation efforts for companies in the education, financial, B2B and consumer product industries. GearyPMG's world-class services include lead management, lead management technology development, publishing and publisher management, paid media, organic media, consumer relationship management and call center services.

GearyPMG is a part of Geary Group, a holding company providing next generation digital marketing services. Headquartered in San Diego, GearyPMG supports the performance goals of top brands around the nation.

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