2023

whitepaper

Conversion Rate Optimization Deepdive
Everything Marketers need to know

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bee inpired by this
uxbee deepdive.
Discover everything
you need to know
about CRO

by uxbee

In this whitepaper

Introduction

In the current prolonged period of economic growth, marketing teams have learned to focus on increasing sales. A simple but effective strategy, because world-wide consumer spending increased too. Driving traffic towards websites to then convert them into qualified leads, or preferably customers, has been the way to go.

However, in times of economic turmoil and recession-fears, the story of ever-increasing consumer spending is on shaky grounds.

That is why marketing teams would be smart to focus their attention towards Conversion Rate Optimization (CRO): the way to get more out of existing traffic and leads.

In this guide, you'll learn about the what, why and how of CRO. So that you can start optimizing your conversion rate right away. Let's dive in.

The importance of conversion rate optimization

Before we can even begin to unpack the best ways to optimize your conversion rate, you probably would like to know what it is. If you don't already know, of course.

What is conversion rate optimization?
Conversion rate optimization (CRO) is the practice of optimizing and improving the percentage of website visitors who take a desired action.
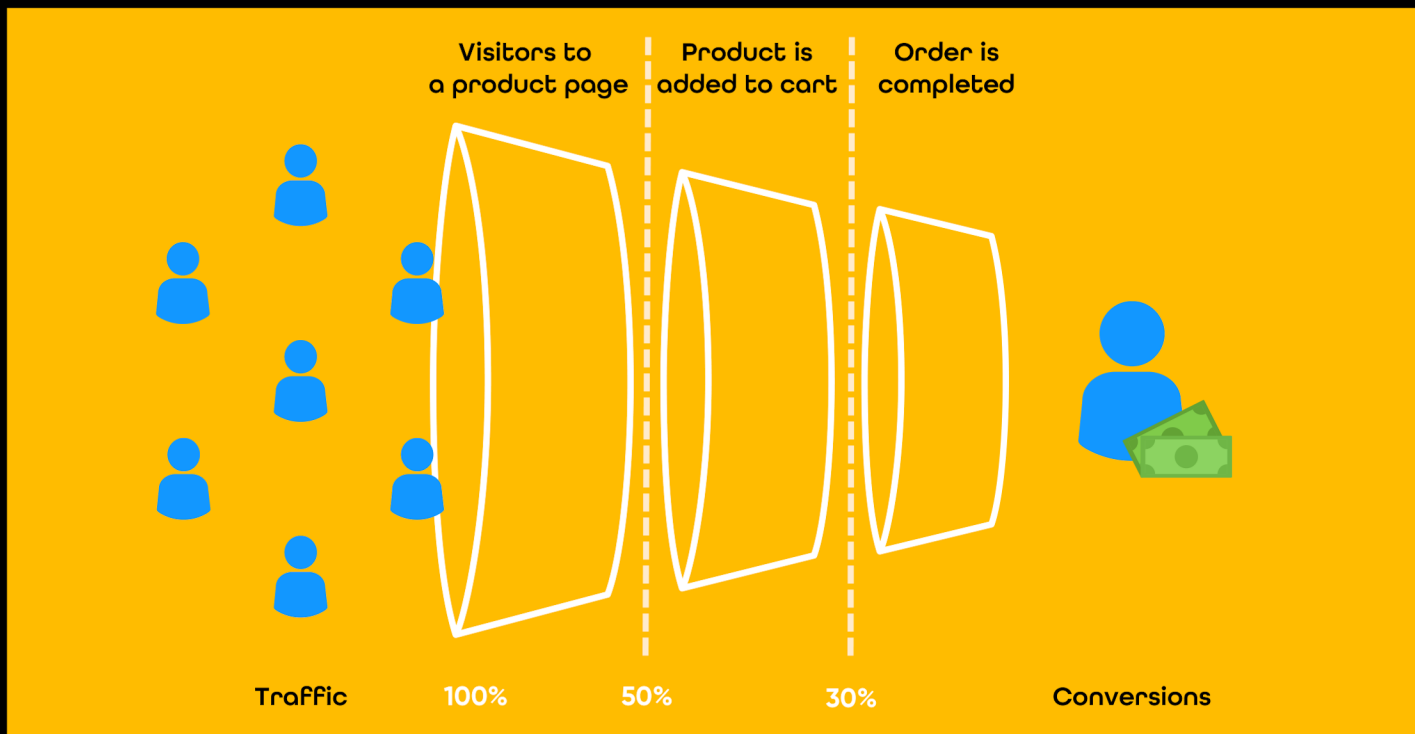
A desired action could include anything from clicking on a link to filling out a form. But originally, a conversion meant that a customer bought a product or service.

On average, a solid conversion rate should be between 1% and 4%. But this is highly dependent on many aspects. Like for example the conversion goal. Or the industry you find yourself in.

If your conversion goal is sales, and your conversion rate is higher than 4%, this probably means that your website offers a smooth customer experience. Or that you have a solid fan base that is willing to return to your brand over and over again.

As you see, it isn't that easy to define. What is more important, is to understand the person behind the conversion. Because, what steers them towards a conversion are their individual needs, drives, character traits and more.

However, you can use the conversion rate as a signpost. If your conversion rate is lower than you'd like, or perhaps lower than the industry average, it tells you that there is a lot to gain. That it is time to focus on optimizing your conversion rates. If you don't, the downsides of low conversion rates will haunt the effectiveness and profitability of your business. For example, through:

- Reduced profitability because of lower revenues
- Wasted marketing budgets as the return on your budget is low
- Limited customer base growth

Let's visualize the downsides with an example. Say your company has 20.000 monthly website visitors and your conversion goal is sales. With a conversion rate of 1%, 200 visitors will turn into customers. While a conversion rate of 2%, would mean doubling this amount to 400 customers.

To reach the same amount of sales purely by increasing traffic means that you would have to attract 40.000 visitors, as is proven in the table below. Not only does that cost a lot in terms of advertising expenditures, it is also telling of your visitor's experience with your company.
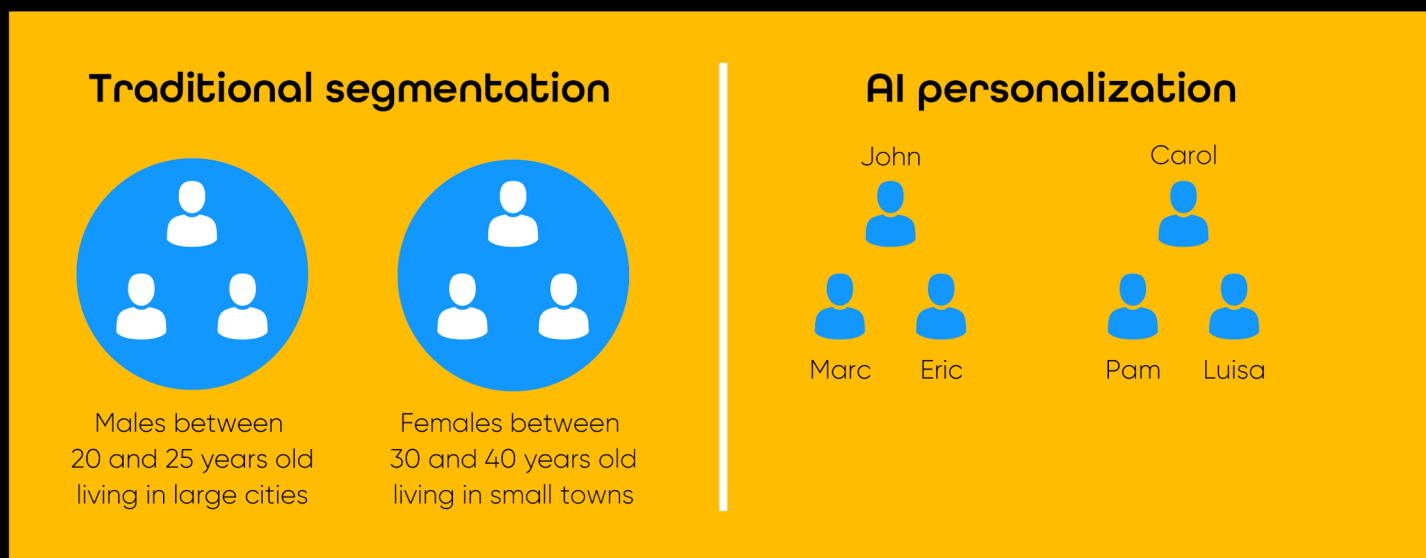
It shows that you do not truly understand your customers. And customers that do not feel understood, that are not shown what they expect to be shown, will leave your website quicker.

Monthly visitors	Conversion rate	New customers
20.000	1 %	200
20.000	2 %	400
40.000	1 %	400

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4 ways to increase your conversion rate

Now that you know what CRO is and why it's so important, it's time to focus our attention towards optimizing your conversion rate. There are many ways to increase conversion rates. But in essence, it all comes down to understanding your customer. In this chapter, we'll look at 4 ways that help you with Conversion Rate Optimization.

1. Personalization

Traditional segmentation

Males between 20 and 25 years old living in large cities

Females between 30 and 40 years old living in small towns

AI personalization

John   Carol

Marc   Eric   Pam   Luisa

By knowing who they are, what they want and what they expect a company to offer them on their journey towards conversion, you can provide visitors with an experience tailored to their needs. Which not only leads to a significantly higher chance of conversion, but also to increased customer satisfaction.

Think about it. Say you're a Disney fan. Where would you rather go? Disney World? Or Legoland? If you're a sneaker-lover, what would you like to be shown? The newest Nike model? Or Timberland boots?

It seems so simple, almost too good to be true. And yet, it is that simple. What's even better, is that the current modern era provides us with new tools to help you with it. Tools that enable you to understand your customer better than you ever could yourself. Tools that enable you to transform this knowledge into hyper-personalized customer experiences.

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Where traditional marketing creates and targets segments around generic demographic characteristics such as age, home town and interests, modern marketing tools take you a step further. They automatically create highly individual customer profiles. So instead of targeting a wide range of customers, they allow you to target each individual customer by showing them exactly what they want. When they want it.

If done well, personalization offers you a significant positive effect on conversion rates. But it doesn't stop there.
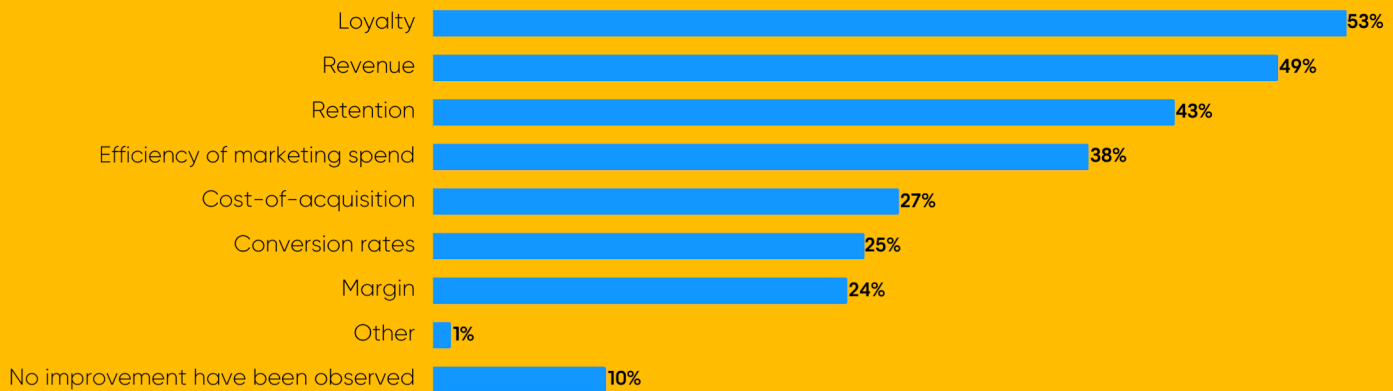
By showing your customers what they want, when they want it, you build a long-term relationship with them. A relationship based on understanding and trust. Which increases the chance of them becoming loyal customers.

A research done by marketing charts among 404 marketing and advertising professionals shows the concrete results of personalization on multiple areas:

Improvements Gained from Personalization

"What ROI or outcome improvements have you seen from personalization?"

marketing charts

Loyalty	53%
Revenue	49%
Retention	43%
Efficiency of marketing spend	38%
Cost-of-acquisition	27%
Conversion rates	25%
Margin	24%
Other	1%
No improvement have been observed	10%

Published on MarketingCharts.com in June 2020 | Data Source: Adobe
Based on a survey of 404 professionals in the US and UK involved in advertising, marketing, UX/UK, brand, demand generation, communications, or product marketing

The stats don't lie. Personalization is here to stay. So you better get started with it.

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2. Marketing automation

Marketing automation lets you automate repetitive marketing tasks and workflows. But it offers more than that. It lets your customer feel understood. For example by creating an automated follow-up, or by automatically offering a personalized recommendation.

Although the line between personalization and marketing automation is thin, a combination of the two works wonders for CRO.

Every process that can be automated saves manual labor and therefore costs. But it also improves the effectiveness of the process. When a customer has a product in their cart but abandons the buying process, an automated follow-up email can be the trigger for them to complete the sale. Following up manually, although personal, is time-consuming and never as quick.

In a nutshell, marketing automation offers the following benefits:

- Increased return on ads spent (ROAS)
- Improved return of investment on your marketing budget
- Increased customer retention

But what is the effect of marketing automation on conversion rates? It's positive. Significantly positive. A research done by Nucleus* showed a 14,5% increase in sales productivity and a 12,2% reduction in marketing overhead, just by implementing marketing automation.

With the right tool, you can even mix the benefits of marketing automation and personalization together: personalized marketing automation. The best of both worlds. For your customer, and for your conversion rate.

* https://nucleusresearch.com/research/single/marketing-drives-crm-roi/

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3. Analytics

Although personalization and marketing automation are essential methods towards Conversion Rate Optimization, they are nothing without data. CRO always starts with customer data.

To understand your customer, you need vast amounts of data. Demographic data, Psychographic data, behavioral data, and location data – just to name a few.

Many tools enable you to collect data. Some of them even enable data analysis. Although this can be a helpful feature, it also leads to dreaded Data Silo's. Because these tools don't communicate with each other, you get isolated databases that do not allow you to see the entire picture. It keeps you from seeing your customer as a complete person, fully unique in their preferences and behavior.

Customer Data Platforms (CDP) tackle this problem by collecting and unifying all your customer data on one platform.

The customer journey

But if you do not use a CDP, data analysis is still worthwhile. It is time consuming and might be complex because of all the different channels your customer interacts with. But if done well, it can help you set up the customer journey: The journey every customer walks from initial awareness to purchase. And beyond.

By visualizing and analyzing every touchpoint a customer has with your company, it becomes clear which areas need improving. If your analysis shows that many visitors leave after being confronted with shipping costs, you can be sure that this aspect of the journey is a bottleneck.

Bottleneck

visitor   conversion

In order to optimize your conversion rate, all bottlenecks should be identified and optimized. So that your customer experience improves and the chance of conversion increases.

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4. Testing

Another method to optimize your conversion rate is testing. There are different types of testing, all with one thing in common: They show what actions you need to take to increase the conversion rate.

A/B testing

By showing different versions of webpages or content simultaneously, you gain insights into the effectiveness of these pages in terms of conversion rate.

This form of testing, A/B testing, helps you optimize touchpoints through clear analysis. A/B testing results in increased conversion rates, as it shows you the best conversion-driving option.
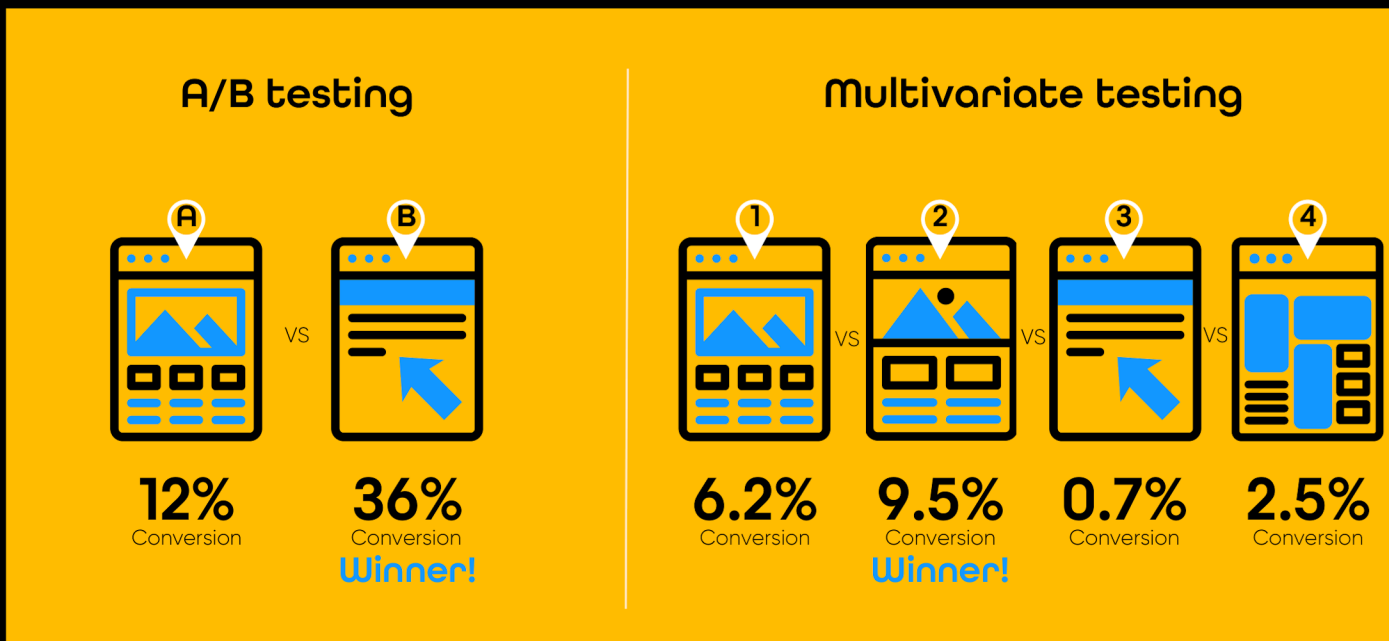
Many tools allow you to set up A/B tests. But as data sharing between tools is often impossible, it is hard to gain a full perspective on the entire customer journey.

Platforms that unify data from multiple sources on one platform offer the benefit of a complete overview. They allow you to see the results of A/B tests on every touchpoint in the customer journey. Which allows you to continuously optimize your conversion rate, and thus improve the customer journey.

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Multivariate testing

Some high-level tools even offer multivariate testing. A method that allows you to test multiple elements on one webpage simultaneously to find the best conversion-driving combination.

This type of testing helps you identify the optimal combination of content, visuals, layouts and other elements. Which works wonders for your conversion rate.

A/B testing

A   vs   B

12%
Conversion

36%
Conversion
Winner!

Multivariate testing

1   vs   2   vs   3   vs   4

6.2%
Conversion

9.5%
Conversion
Winner!

0.7%
Conversion

2.5%
Conversion

Behavioral tracking and analysis

As we've said before, a crucial element of CRO is understanding your customer. Behavioral tracking and analysis does just that.

It helps you gather data on how visitors interact with your website. By tracking a visitor's behavior through page views, clicks, form submissions and more, you gain insight into their individual preferences.

With the right platform, these insights allow you to set up personalized journeys for each individual customer. Which has a significant positive impact on your conversion rate.

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How to start with CRO

As you've seen, there are many effective ways to optimize your conversion rate. But where do you start?

1. Implement the right tool

CRO starts with data. To start, you should use a software platform that simplifies the entire process. Preferably one that collects and unifies all data from multiple sources. That lets you automate campaigns and personalize your content, while offering testing and analytics features for continuous improvement.

2. Define conversion goals

Once you have the right tools to start, you should define the conversion goal. Be bold. With the right tactics, there is a lot to gain.

3. Map the customer journey

If you haven't already, it's time to map the customer journey. Define all touchpoints and visualize them in specific stages of the journey model. This helps you gain a complete overview of the route that a customer walks from becoming aware, to buying a product and beyond. Don't worry, a good customer data platform (CDP) or customer experience management platform (CXM) should offer you an easy way to set up the customer journey.

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4. Analyze and define the importance of touchpoints

It's time for analysis! Start with defining which touchpoint is most important. Got it? Good, now analyze its effectiveness through behavioral tracking and see whether there are any bottlenecks visible.

Ask yourself how this particular touchpoint can be optimized. Do visitors leave in a specific way? If so, why? You could run an A/B test by changing the touchpoint and analyzing the results of both. Optimize the touchpoint by changing it to the most effective one.

For the best results, you should analyze and optimize every touchpoint of the customer journey. So that the experience of your customers becomes as smooth as possible. Smooth is good, because your conversion rate will benefit from it!

5. Keep optimizing

An ever-changing world asks for continuous analysis and optimization. If your CDP or CXM does not allow for continuous analysis, you could manually evaluate the entire journey every quarter. But be aware that this is a time-consuming process.

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Sitecore & uxbee:
A perfect combo for CRO

CRO starts with a versatile software tool to help you. Preferably one that collects and unifies all data from all the channels that you use. So that you have a complete overview of all data and touchpoints.

Sitecore: One platform to rule them all

Sitecore is our preferred partner for CRO. Not only does it collect and automatically analyze data, it also offers a wide range of features that help you truly understand your customer, such as:

- Marketing automation, including email marketing, campaign management, lead nurturing and customer segmentation
- Behavioral tracking
- A/B and multivariate testing
- SEO and search functionalities to optimize content for search engines
- Website management through a user-friendly CMS

All of these features together enable you to create hyper-personalized websites, emails and other content. Specifically made for each individual customer.

Not only does this directly optimize your conversion rate, it also increases customer satisfaction. Because your customers feel understood, you will build a long-term relationship with them.

Sitecore lets you continuously analyze the interaction between your visitors and your company. So that you can focus on optimizing bottlenecks and delivering the best customer service possible. If done well, your customers might even become fans!

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Uxbee: Helping you optimize

Navigating through the world of CRO can be complex. We at uxbee can be your compass. With the goal of conversion rate optimization in mind, we help you to visualize the customer journey, personalize your content, and automate your processes.

Not fluent in technical language? No problem. We are marketers by nature. We understand your goals and amplify our efforts where others stop. The complexer your problem, the harder we bite into it, using our extensive Sitecore knowledge as our guide.

You decide what the goal is. We listen, offer our advice and make it work.

Want to know more?
Let's meet for coffee,
and we'll tell you everything!

See you soon?

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