eCOMMERCE UNLOCKED

NEILPATEL

Conversion Rate Optimization

Testing Guide

HOW TO **GET MORE SALES FOR YOUR** ECOMMERCE BUSINESS

Conversion Rate Optimization Testing

You know by now that conversion is defined as the action that you want your page/site visitor to take. This could be…

- Going to another page
- Exchanging their email
- Sharing with a friend
- Making a purchase
- Pushing a button
- Downloading your app

Conversion Rate Optimization is the science of testing various hypotheses in order to get more people to convert on your page.

There are countless factors that go into the decision making process of a page/site visitor.

- How well targeted your ad is (and all the elements of an ad)
- The page layout
- The headline
- The sub headline
- Button color/text
- Icons of credibility
- The offer itself

When you want to boost conversion, you need to run a test to figure out which elements help people make that decision, and which elements hinder that decision.

More importantly… running CRO tests is the CHEAPEST way to increase your conversions.

- You don't pay for extra traffic
- You don't have to create a new product

Instead, you are simply making changes to your page, to see what combo of page elements helps you win big.

Imagine this scenario...

- Before your first CRO test, your page is converting at 2.4%

- You change ONE element of your page for the test (such as a button), and it increases your conversions to 5%

- That would be more than a 100% increase in conversion... And if the conversion point is a purchase, that would be like doubling your sales.

What is Conversion Rate Optimization?

Conversion Rate Optimization Is…

- A structured and systematic approach to improving the performance of your website

- *Informed by insights—specifically, analytics and user feedback*

- Defined by your website/sales page/etc. unique objectives and needs (KPIs)

- *Taking the traffic you already have and making the most of it*

Conversion Rate Optimization **Is Not**…

- Based on guesses, hunches, or what everyone else is doing

- Driven by the highest paid person's opinion

- *About getting as many users as possible, **regardless of** quality or engage*

How Do I Calculate My Conversion Rate?

- Your TOTAL number of conversions

- Divided by

- Your TOTAL number of clicks/visitors/list members

Example:

- If you had 400 people sign up for your lead magnet

- And you had 6000 people visit your lead magnet landing page

- Your conversion rate would be 6.6%

Example 2:

- If you had 42 people download your app

- And you had 300 people click on your ad

- Your conversion rate would be almost 14%

What Else Matters in CRO?

In order to make proper hypotheses (which we'll go over in the next video) you need to take a look at visitor/user/clicker behavior and engagement.

Some indicators of engagement would be:

- Bounce Rate

- Time on Site

- Exit Rate

- Number of Page Views

- Abandon Cart Rate

- Where people are paying the most attention on the page

When should I be optimizing my CRO?

As we've said throughout this entire program, we encourage you to test the elements of your site, funnel, and product often.

Why "guess" at what customers want and respond to, when you can get hard data that directly shows you what they want and what they respond to?

However, you usually want to optimize your conversion rate after you have established a baseline of data to work with.

This could be established in as little as two weeks, or as much as 6 months. It will all depend on the amount of traffic going to the page/product/site that you want to optimize.

Still Not Convinced?

Paid advertising is only getting more costly and competitive.

- Spending more money on ads is not the answer. This goes double if you have errors in your funnel*. CRO works with what you have* to help you to identify and deal with those problems first.

Optimization is about getting more MATCHED customers.

- You don't want to convert just anyone. You want to convert people who are well matched to what you offer, who will love your product, and who will spread the word about how awesome you are. CRO helps you dial your message in so you can reach those people.

CRO can give you momentum

- CRO can create an incredible cycle that gives you more momentum with each round of positive testing. When you convert more, you make more profit. Then you can spend more on traffic… Which means you get more customers… **Repeat cycle until you dominate your market.**

Get the Competitive Edge

By now you should be totally excited about Conversion Rate Optimization. You don't have to spend more on ads. You don't have to develop a new product. All you have to do is start changing your page a few elements at a time… And you can make MORE MONEY with what you ALREADY HAVE.

But you don't want to do this haphazardly–or you'll see mediocre results at best, and on top of it you won't actually understand what caused the lift.

In the next section of this guide we're going to talk about how to create a hypothesis and measure your results.

You Need A Plan

You could go with simply using CRO tactics, and see some okay results with your testing…

Or you can create a plan, and see each test provide better results as you go. Obviously, we advocate creating a plan ☺

When building a CRO plan, you…

- Attempt to figure out what the numbers mean before trying to fix them

- Form a hypothesis (or hypotheses) based on what the numbers mean

- Construct a plan of action to test those hypotheses

- Take the knowledge gained and use to it form new hypotheses

- Understand this is a consistent, structured, and ongoing process of making your website/page/ads better over time

First, you need to have the right tracking tools set up on your site, to measure the changes that you make.

- Google Analytics

- Conversion Analytics Tool:

- Heat Map Tool (to look at user engagement):

    - CrazyEgg / Clicktale / Lucky Orange

To set a baseline, you want to let the tools run for 2-8 weeks, to collect data on your pages, as they are right now.

Some additional tools you might want to consider, include:

- User Surveys

    - Analytics can only communicate so much about your users' needs; you need something that gives you the ability to gain insights directly from users in the moment, to hear their concerns in their own words; there is no such thing as too much user feedback.

- User Testing

    - Software like Optimizely and other testing tools allow you to directly observe how users are interacting with your site. This can give you immediate feedback of where you site is now, so you can make better decisions about what to test.

Plan A Pre-Test

Let's pretend you run an event planning service. On a landing page you have a form for visitors to sign up for a free one hour planning assessment. This is what you'd like to optimize.

But first… You have to understand what's driving conversion to begin with!

- Testimonials?

- Strategically placed ads?

- Photo or video galleries?

- Awards and accolades?

It could be one of those things… Or it could be all of them. The only way you're going to know, is if you test each variable independently.

Before You Begin: Record Your Baseline

Okay, so now that you have a pre-test outlined, it's time to make sure you have some baseline data to compare your test against.

Some things to look at…

- Your traffic–where do people come from?

  - I would also rate what you believe each traffic type's state of awareness is.

- Your heatmap–where do people currently engage on your page?

- Your bounce rate–how often are people leaving the page quickly?

- The average page visit length–how long are people hanging out on your page?

- What is your conversion rate right now?

Some Questions to Consider:

As you analyze your data you may need to consider the following:

- Is the traffic that is coming to this page, the right kind of traffic?

- Are the people who land on this page getting enough information to want to stick around?

- Is the page confusing or distracting in any way?

- Is the eye-path of the page helping direct someone to the most important page elements?

Don't limit yourself to these questions–write down all your observations and ideas.

Form A Hypothesis

Looking at your heatmaps you found something interesting.

- When you have a testimonial above the fold on your website, in better view, people tend to stay on page longer.

- In fact, if a user scrolls down the page, they tend to focus a lot of attention on testimonials. They pay even better attention when the testimonials have event photos beside them.

- And in fact, you realize that your landing page for getting people to sign up for a free event planning assessment does not have testimonials, nor photos of people at the events.

- It would be a good idea to form the hypothesis that putting testimonials somewhere prominent above the fold of your landing page–with accompanied photos of people at events–will get you a higher conversion rate.

Hypothetical Statement Formula

Before you go any further, you should write down a single statement that explains your hypothesis, and why you believe it is valid.

By [making this change (or these changes)], the conversion rate will increase because [problem it fixes].

Example:

By adding testimonials with event photos containing happy event attendees to my landing

page above the fold, the conversion rate will increase because it gives social credibility to my services–which makes me appear more trustworthy to a cold prospect who is considering signing up for an even planning assessment.

Plan Your Test

Your plan for your pre-test might be…

- Your goal is to increase your number of free planning assessment, which, though free, often results in people hiring you to plan their event.

- You hypothesize that adding testimonials + event photos (with people in them) may increase the number of free consultations scheduled (as a first step).

- You decide to compare conversion rates for when testimonials are prominently displayed versus when they are not (A/B split testing)

- You'll measure the number of consultations scheduled from each page to see if your hypothesis was correct

And then you'll repeat that test with each variable that you wish to verify.

Run Your Test

Please see the lesson 3 video to learn how to run A/B Split Tests

Analyze Post-Test Data

First and foremost… Did you see a noticeable conversion lift with your variation page?

Now look at the rest of the data…

- Where were people engaging the most on page?

- Did you see an improvement in bounce rate?

- How about an increase in the time spent on page?

- Did they go check out more pages on your site?

Your biggest end-goal is to see a lift in conversion… But having your other analytics lift can often indicate you're going in the right direction, too.

It can also indicate what is unnecessary on the page–for further testing.

The Full Plan

The key to great CRO, is continually running tests and optimizing your pages and site.

Once you have one winning test, let it run for a little while, and begin to map out other tests

- Headlines

- Bullet Points

- Buttons

- Images / Videos

- Page Layout

- Credibility Icons

Have an ongoing plan, to test the page until you've optimized each element. All of these little lifts in conversion can add up to BIG wins. And planning it out is the key to your success.

Being a one-hit CRO wonder is like quitting when you've only just began. The potential for lifts in profit, engagement, and better-matched customers are vast–you just have to take the time to mine them out…

One page element at a time

In the next video lesson inside the member's area we're going to talk about the best way to set up an A/B split test–the most efficient method of seeing which elements work better on your pages and ads.