

The fundamentals of Conversion Rate Optimization by Brandon Kirkland

Websites are like buckets with holes in them and they are leaking money. Conversion rate optimization is the method in which we plug those holes.

Intro - The mindset of an optimizer

CRO (conversion rate optimization), when it comes to eCommerce, is about improving the customer decision process to increase sales.

Growing your business and profits through a better and deeper understanding of your customers.

Raising a conversion rate isn't always a good thing for business. Understand you can raise your conversion rate very easy, just drop your prices down to \$1. Raising conversion rate is about growth not about a higher percentage rate.



Accept these truths:

1. Your opinion doesn't matter and most the time neither does the business owner's. Opinions don't make money. Implement this rule in your company: whenever somebody voices an opinion, they have to preface it by saying: "In my insignificant, unsupported, baseless opinion". That will set the right tone for the importance of whatever is to follow. ;)
2. You don't know what will work, if we did, we'd all be billionaires. There are no crystal balls, only split testing.

3. There are no magic templates for higher conversions. Best practices work - but only on half the sites. You don't know which half your site belongs to. Stop thinking in tactics, and start thinking in processes.

Once you accept these truths, it's far easier to move ahead. We humans like our egos - and we like to stroke our egos. But we need to move past that. Conversion optimization is very humbling in this regard. I have seen too many times my ideas - that I was super confident in - fail badly.

Lesson 1 - Website Relevance, Understand Your Customer

The customer is the foundation to your business. If the business is not solving a problem for the customer, you will be out of business very soon.

A business HAS to focus on the customer and find their 'pain point'. Find the pain, solve the problem, and you win the game. In most situations, the business owner is not the target market, yet businesses make decisions daily on "what they think" the point point is and the customers'.

CRO thinking is built on making decisions by looking at the customers' analytics and what they tell you. So if you make a hypothesis about what you think customers want, be sure to back it up with a large amount of good and unbiased data.

Why should a customer buy on your website?

VALUE PROPOSITION - VALUE PROPOSITION - VALUE PROPOSITION

There needs to be great value propositions, or as I like to call it persuasion hooks, that are easily seen above the fold and not hidden. You need to let the customer know WHY they need to buy with you. You can re-iterate your value proposition below the fold a second or third time, just make sure your best 'weapons' are above the fold. For example you offer Free Shipping.... do you hide it in the footer or make sure it's up top?

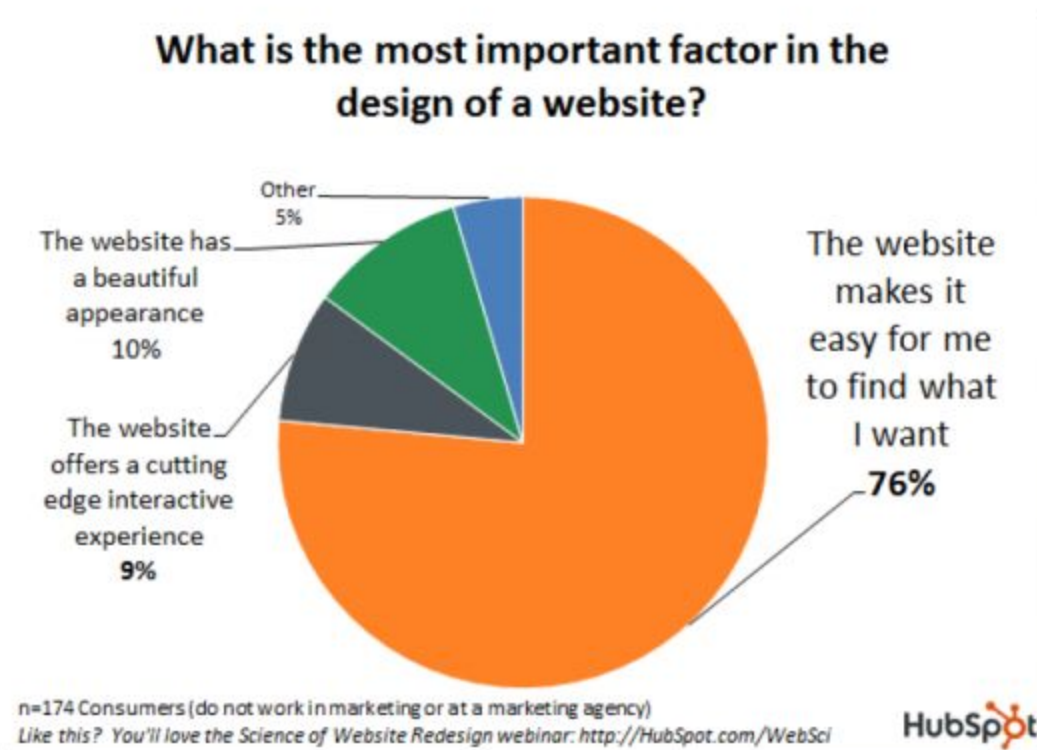
Up top of course. It's ok to sprinkle 'Free Shipping' through the page and footer, just make sure your best 'weapons' are up top.

A value proposition is what marketers call it, but a web user doesn't know that it's called a value proposition. The way a website user neurologically processes a value proposition is a good feeling in their mind. So if a potential customer sees 'Free Shipping' for example, it makes them feel good and their purchase more inevitable. A clear, easy and understandable value proposition(s) are a MUST for high converting eCommerce sites.

Do you really know your online customer?

Sure, you are customer centric, but what do you really know about your online customer? This is a good start: Get customer feedback at certain stages of the customer journey. Talk and listen to your customer service team. Have people you know and trust who can be 100% neutral (no "Yes Men" here) to go through your competitor's sites and get info from them on the good and the bad. And lastly, when launching a new idea or service, try to grab customer feedback immediately so you can pivot to their needs.

People were asked this question:

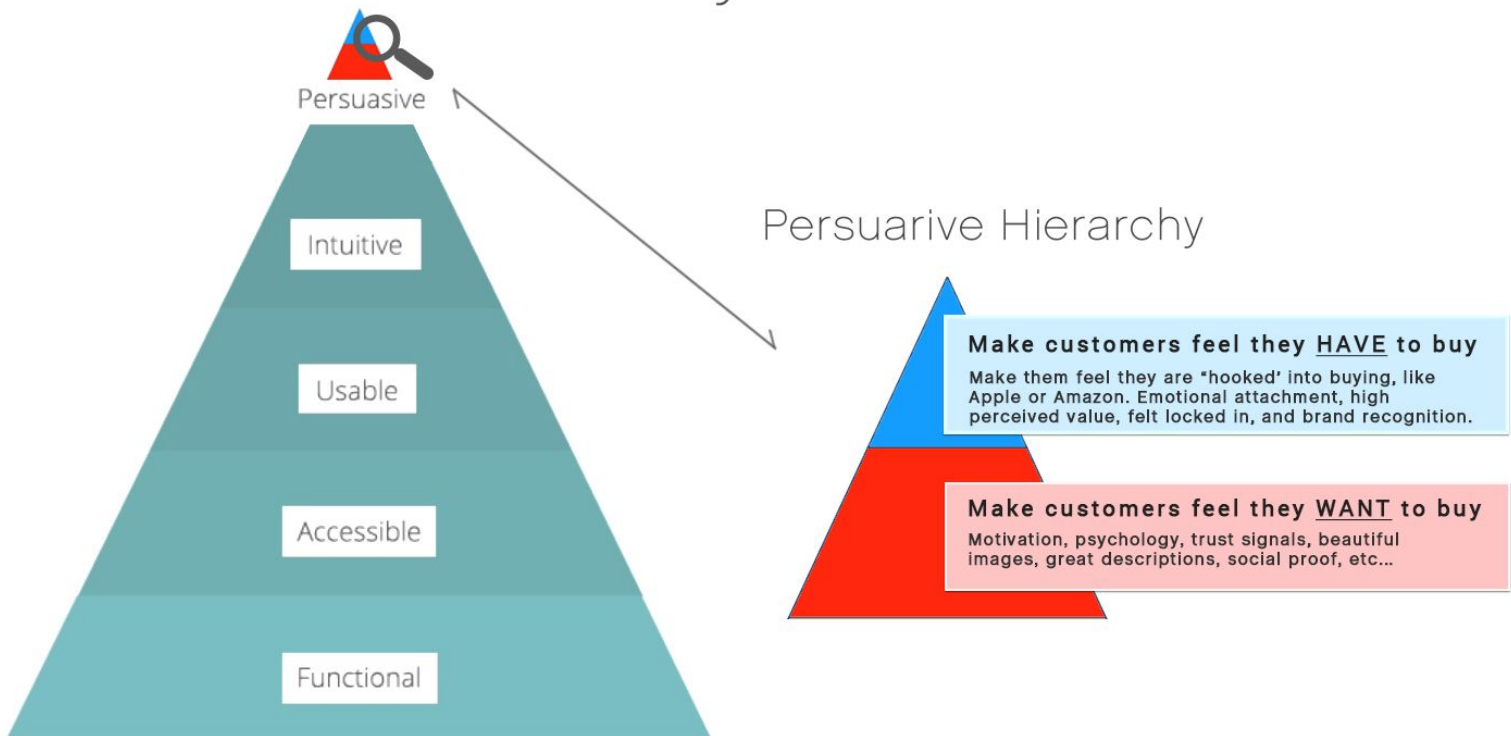


Lesson 2 - The foundation - conversion pyramid

Conversion rate keys to a successful website

Like Maslow's hierarchy of needs, CRO has a hierarchy too, starting at the base, 'Functional'.

Conversion Hierarchy



1. Functional. Does it work and do what it's supposed to? First and foremost it needs to be free of technical errors. It needs to work with every browser. You don't like Microsoft Edge? So what! If 20% of your visitors use it swallow your pride and make it work or you're losing money. Quality assurance testing is a must. You're better off hiring a testing professional who will leave no stone un-turned.

2. Accessible. Can people use the site with all devices? All skill levels? Are there any barriers? Can they find what they want? Do cross-browser and cross-device testing.

3. Usable. Is it user-friendly? Can people figure out how to use it without thinking about it? Can they understand the language? Make sure you perform usability tests.

4. Intuitive. Does the sales process on the site match the thought sequence of the user? Can people buy the way they want? Is it obvious or do they have to "figure it out"?

5. Persuasive. Do users understand if what you offer fills their need or solves their problem? Does your website join the conversation in their mind? Does it offer enough proof? Remove doubts? Enable a friction-less checkout?

Lesson 3 - How to analyze pages on your website

There is no one perfect framework and none of them are a replacement for using your brain. You still have to do the thinking yourself.

There are 7 major things you need to analyze and score for each key page on your site:

1. Relevancy. The start of it all. Is your page relevant to visitor's wants/needs/desires (search query)? Does it start with "welcome to" or does it say something the visitor is actually interested in?

If the person came via a link or an ad, is there a scent, so they know they're in the right place?

Also, a key ingredient of high conversions is relevant traffic. If you stop driving irrelevant traffic to your site, your conversions will go up. Identify traffic sources that work, stop wasting time on those that don't.

2. Value proposition. A value proposition is a promise of value to be delivered. It's the primary reason a prospect should take action on your site (e.g. buy from you) - instead of competitor's site.

You need to have a clear and compelling value proposition on every key page (check your top landing pages in Google Analytics). People make snap judgments - your value proposition plays a key role on your website and landing pages.

3. Clarity. People won't buy what they don't understand. In fact, people fear what they don't understand.

Whatever you're selling, the buyer is a human. It doesn't matter if it's your granny or a top exec from PwC. They're all humans. If the text (or video) on your site is easy to understand and in a compelling language, your conversions will go up.

Avoid jargon. Use simple language. Aim to be understood.

4. Friction. Whenever you ask people to do something or commit to something, there's friction. It's impossible to remove friction completely in a business transaction, you can only minimize it (zero friction is when you give Ferraris away for free - not very profitable).

Friction is all the doubts, hesitations and second thoughts people have about giving you money for a product.

Is it really worth the money? Will it break? Can I trust this guy? Will it work? What if it doesn't fit? Is this a scam? Is it the right choice for me? Will she like it?

The way to convert an infidel to a believer is to address all of their doubts and give them full information, so they are able to convince themselves.

5. Distraction. There's an adage for outdoor billboard design – it's ready when there's nothing left to remove. In a way this also applies for websites.

The more choice you give to people, the harder it is to choose anything. When there are too many options to choose from, it's easiest to choose nothing at all. If you have a ton of products, you have to provide great filters to help people narrow down the choice.

Noise and distraction is not just about how many products you have. It's how busy your layout is, how many competing design elements there are, all asking for attention.

Rule of noise: The closer you get to closing the sale, the less things you should have on your screen. Once they get to checkout screen, you shouldn't have ANYTHING on the page that doesn't directly contribute to conversion.

6. Urgency. Act now or you miss this super deal! Urgency is powerful, if it's not fake.

There are 3 ways to create urgency:

- Quantity limitations (Only 3 tickets left at this price)
- Time limitations (Discounted tickets until July 1st)
- Contextual limitations (Father's Day is coming, get a gift now)

Too many marketers try to add urgency to everything. It's just not possible, don't do it. But when it makes sense to use it, it will produce a ton of results.

7. Call to Action. Is there a single, clear most wanted action for each screen? Does it stand out from the rest of design? Is it appropriately large compared to secondary elements?

Does it convey value as opposed to saying something like 'submit'?

Do this: Now that you know these 7 critical factors, analyze all the key pages and see how you could improve the page.

Lesson 4 - The top 20 quick List

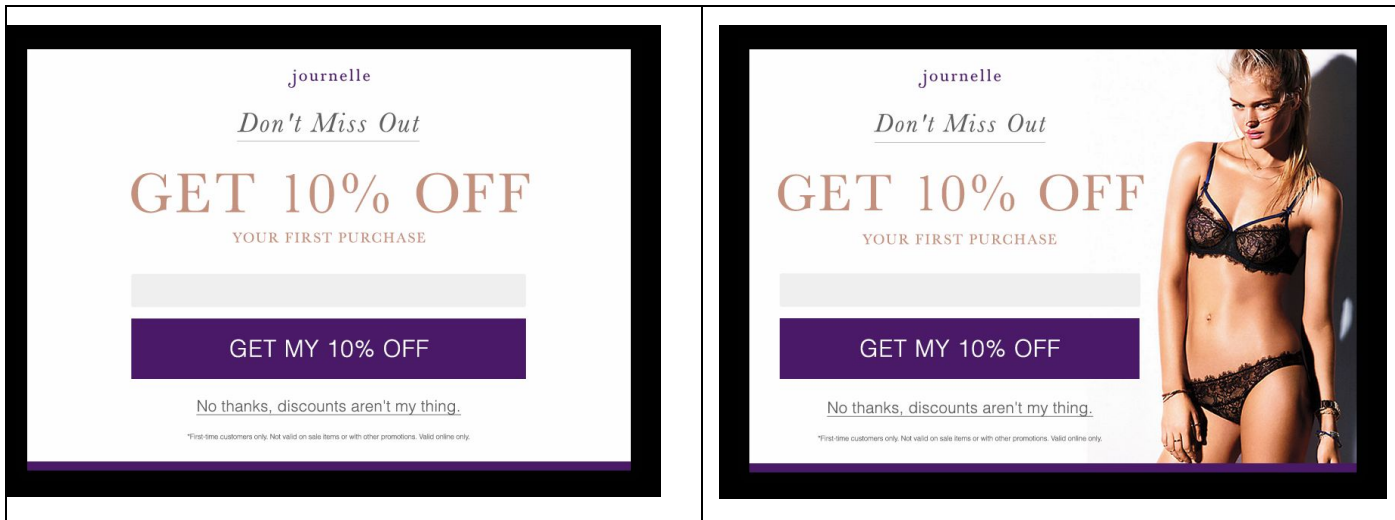
There are two main steps to CRO: 1. Implement the basic CRO best practices and 2. Testing your hypotheses, measure the results and testing some more. Below is all about step 1 (Basic CRO best practices).

1. A lightning fast and beautiful website
2. A mobile friendly website
3. A quick and clear value proposition
4. Offer Free shipping
5. Beautiful Product Images and detailed descriptions
6. Use coupons and offers (i.e. BOGO)
7. Create urgency
8. Merchandise/Price your site products, categories, etc.. accordingly
9. Offer a smooth one page checkout

10. Abandon cart software
11. Create confidence (SSL, Trust Signals/badges, Address, Phone number, etc...)
12. Check out as guest option
13. Allow multiple payment options
14. Allow Product reviews
15. Show customer testimonials
16. Show and allow social proof
17. Call to actions need to be clear and easily seen
18. Offer a clear and friendly return policy and shipping information page
19. Grab a customer before they leave
20. Email Re-marketing software

Lesson 5 - 5 Conversion rate blunders

1. Humans killed the Dodo Bird, the Western Black Rhinoceros and now we're killing conversions...



Now, most people guess the ad with the image would win big. It's an old advertising staple: you have to have a compelling image to grab the reader's attention, right?

Um, wrong.

Very wrong, in fact.

The offer above without the image had a 20% higher click rate, along with a 10% conversion rate.

This pattern of "humans killing conversions" is as predictable as the sun rising in the east. Why?

Think like the user:

- Who is this girl?
- Would I hang out with this girl?
- I don't like her.
- I wouldn't want to drink beer with her.
- I bet her friends are snooty.

Esquire
75 BEST DRESSED MEN OF ALL TIME

IMPRESS ME >

Esquire
75 BEST DRESSED MEN OF ALL TIME

IMPRESS ME >

This opt-in is targeting men, and most every man wants to be Johnny Depp. That dude is cool.

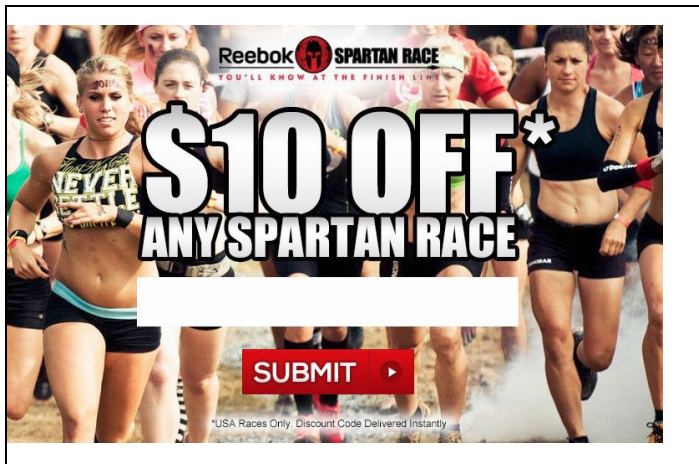

But, hmm. Again, let's jump into the mind of an Esquire prospect:

- What is up with the hat?
- Did he shower today?
- Does he dress like this in public?
- That Lone Ranger movie stunk.
- Bounce

By now, you know what ad won. The test on the left. Proves that even celebrities can't overcome the "humans kill conversions" rule.

2. Eliminate distractions

Graphic designers paid by the hour will hate this.

 <p>Reebok SPARTAN RACE YOU'LL KNOW AT THE FINISH LINE</p> <p>\$10 OFF* ANY SPARTAN RACE</p> <input type="text"/> <p>SUBMIT ▶</p> <p><small>*USA Races Only. Discount Code Delivered Instantly</small></p>	 <p>Reebok SPARTAN RACE YOU'LL KNOW AT THE FINISH LINE</p> <p>\$10 OFF* ANY SPARTAN RACE</p> <input type="text"/> <p>SUBMIT ▶</p> <p>No thanks. I like paying full price for races.</p> <p><small>*USA Races Only. Discount Code Delivered Instantly</small></p>
<p>Keep it simple with NO distractions. Get directly to the point, the value proposition.</p>	

3. Conduct A/B (split) testing

This is not a test.

<p>Make Mom Happy, Order Today 05:35:50</p>	<p>SHOP MOTHER'S DAY ▶</p>
<p>DON'T DISAPPOINT MOM, GET IT THERE IN TIME Order Today 05:36:33</p>	<p>SHOP MOTHER'S DAY ▶</p>
<p>We found that disappointing your mother creates a stronger call-to-action than making her happy. You might want to read that sentence again.</p> <p>The “disappointment” opt-in created a 20% higher click-through-rate and 10% higher conversion rate than “make mom happy.” This was tested on hundreds of thousands of visitors to FTD the week before Mother’s Day</p>	

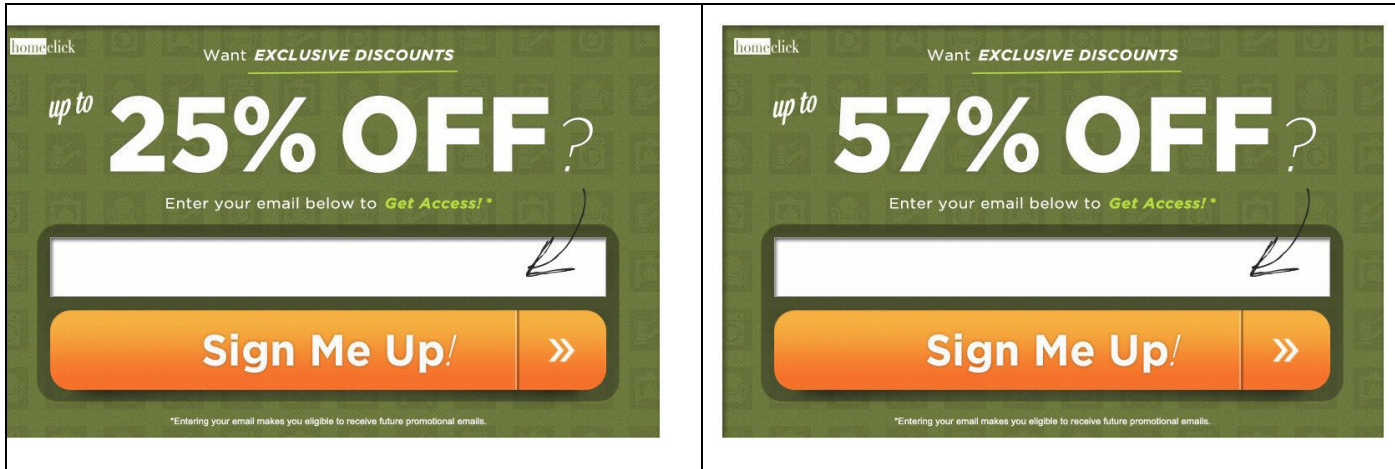
<p>Get an extra</p> <h1>\$5 OFF</h1> <p>IF YOU COMPLETE YOUR ORDER IN THE NEXT</p> <p>Min Sec</p> <p>GET MY \$5 OFF NOW ▶</p> <p>No thanks, I prefer to pay full price</p> <p><small>*\$20 Minimum Purchase</small></p>	<p>Get an extra</p> <h1>10% OFF</h1> <p>IF YOU COMPLETE YOUR ORDER IN THE NEXT</p> <p>Min Sec</p> <p>GET MY 10% OFF NOW ▶</p> <p>No thanks, I prefer to pay full price</p> <p><small>*\$20 Minimum Purchase</small></p>
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We found that cold hard cash beats percentages by a long shot, until you start to creep into the 20% off range. Please test this yourself, because every business is unique, but cash consistently beats math.

Why? Math makes people’s heads hurt.

4. Don't overestimate your customers

Most are smarter than the average bear.



We assumed that 57% would at the very least double the conversions of the 25% coupon. Guess what? The 20% offer doubled the 57% offer. Yes, you read that right. Double.

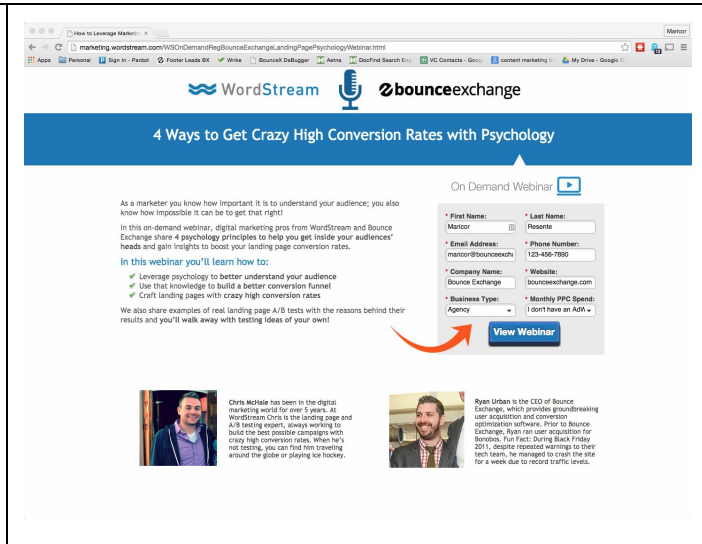
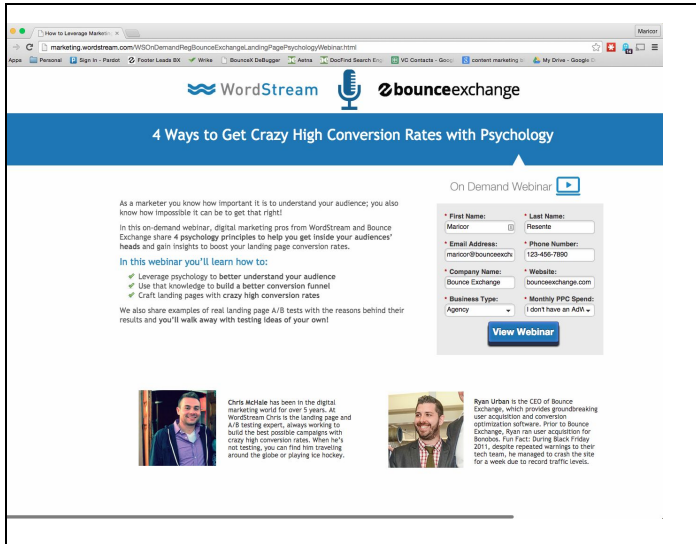
Why? Because 57% is too good to be true. Humans look for a great deal, but we have an innate ability to sniff out an imposter.

So even though our client's 57% offer was legit, their customers didn't believe it!

Warning: if your offer sounds too good to be true (think "double your sales!" as well as the "57% offer") then your prospects will click somewhere else.

5. Direct your prospects

Thars gold in them thar arrows!



We're asking you to take your beautiful, flawless design and then add an arrow to it. The horrors!

Our response is to look at the images above. Seriously, go look. We know you hate that arrow. It burns, doesn't it? Well, that one evil, intruding arrow improved conversions by 22%. The fact is this: Directional arrows work every time. Every. Single. Time.

Lesson 6 - CRO Psychology

Cognitive Bias: Subconsciously making choices because of past experiences. It helps us make judgements and is an important factor when we make a decision. Our mind is always trying to maximize the rate of success.

5 eCommerce Cognitive Biases

1. Choice-supportive bias: How the Choice-Supportive Bias Can Increase Your Conversion Rate

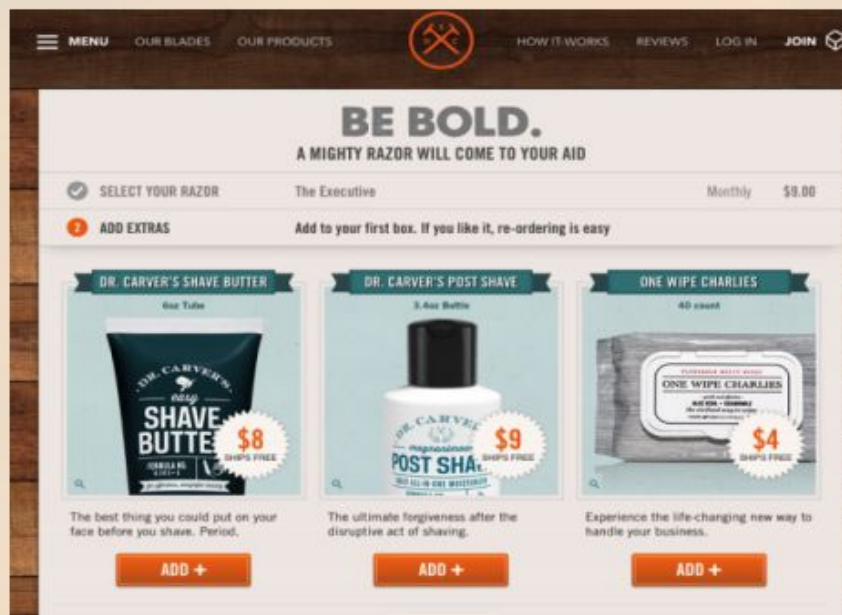
(<http://www.jeremysaid.com/choice-supportive-bias-can-increase-conversion-rate/>)

CHOICE SUPPORTIVE BIAS

DEFINITION

The choice supportive bias is “the tendency to remember one’s choices as better than they actually were, where people tend to over attribute positive features to options they chose and negative features to options not chosen.

IN ACTION



2. The Anchoring Effect: Its Power on Conversion Optimization

(<http://www.jeremysaid.com/anchoring-effect-power-conversion-optimization/>)

ANCHORING EFFECT BIAS

#CROWorld

DEFINITION

The anchoring effect happens when people make a decision based on the first information that they encounter. Your faced with a decision –

- Immediately, the mind's decision-making mode is activated.
- The mind begins to search around frantically looking for some source of information that affects the decision.
- It secures upon the first bit of information that it sees.
- This information immediately impacts the decision, moving it in a particular direction.

IN ACTION

Pro All you'll ever need	Plus Most popular	Standard For growing businesses	Basic Starting out
\$99 /mo (paid annually)	\$49 /mo (paid annually)	\$19 /mo (paid annually)	\$9 /mo (paid annually)
250,000 VISITS PER MONTH	100,000 VISITS PER MONTH	25,000 VISITS PER MONTH	10,000 VISITS PER MONTH
100 ACTIVE PAGES	50 ACTIVE PAGES	20 ACTIVE PAGES	10 ACTIVE PAGES
Hourly REPORTS	Hourly REPORTS	Daily REPORTS	Daily REPORTS
<ul style="list-style-type: none">+ Advanced Filtering+ Mobile Heatmaps+ Priority Email Support+ Priority Phone Support	<ul style="list-style-type: none">+ Advanced Filtering+ Mobile Heatmaps+ Priority Email Support		
Start Your Free Trial	Start Your Free Trial	Start Your Free Trial	Start Your Free Trial

3. How to Decide on Discounts: The Perceived Value Factor (<http://www.jeremysaid.com/the-perceived-value-factor/>)

PERCEIVED VALUE BIAS

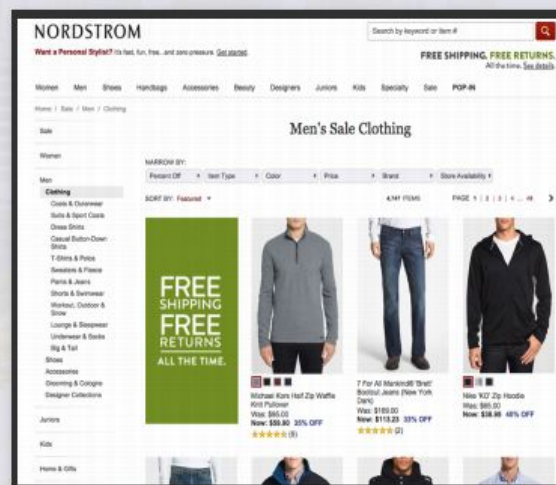
#CROWorld

DEFINITION

Perceived value is the worth that a product or service has in the mind of the consumer [value = benefits / costs].

Perceived value affects price points, page layout, discounts, sales, and many more.

IN ACTION



4. Hyperbolic discounting: Six Advantages of Hyperbolic Discounting? (<https://blog.kissmetrics.com/hyperbolic-discounting/>)

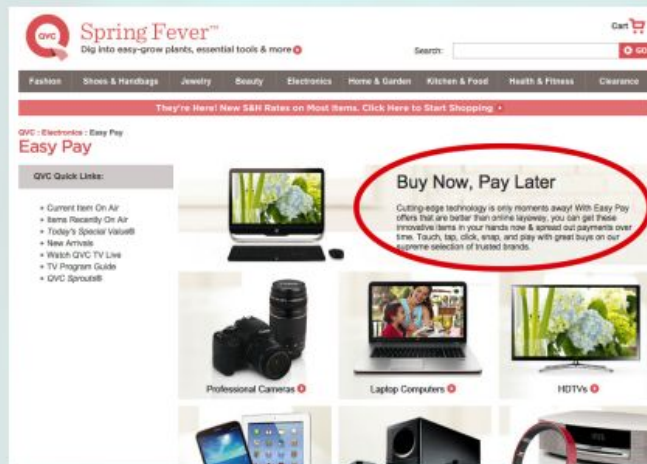
HYPERBOLIC DISCOUNTING BIAS

#CROWor

DEFINITION

Hyperbolic discounting is a person's desire for an immediate reward rather than a higher-value, delayed reward—People would rather receive 5 dollars right now than 10 bucks in a month. It's the value of immediacy.

IN ACTION



5. **Decoy effect:** How to Use the Decoy Effect to Help Buyers Choose the Right Option (<http://www.jeremysaid.com/how-to-use-the-decoy-effect/>)

DECOY EFFECT BIAS

#CROWO

DEFINITION

Decoy effect is when a consumer is faced with a third choice, a strategically priced decoy, customers will be more likely to choose the more expensive option. Here's how it works -- When you have two options, users are forced to make a decision. They can choose the small option for less money, or the big option for more money. They generally spend less money. But now enter the decoy effect. The decoy effect involves adding a third option — the decoy. The decoy is priced close to the more expensive option, suggesting that the more expensive option is actually better.

IN ACTION

Economist.com Subscription	Economist Print Subscription	Economist.com + Economist Print Subscription
\$59	\$125	\$125

Lesson 6 - Funny UI/UX images

Never take yourself serious



more awesome pictures at THEMETAPICTURE.COM

A perfect trap for Awkwardness



A possible conversation would go something like this -

Gentleman on the left: Fine day we're having today.

Gentleman on the right: Your leg is touching my leg, can you move over?

Gentleman on the left: Closer to you or further away?



The designer thought, how can we spread more germs?

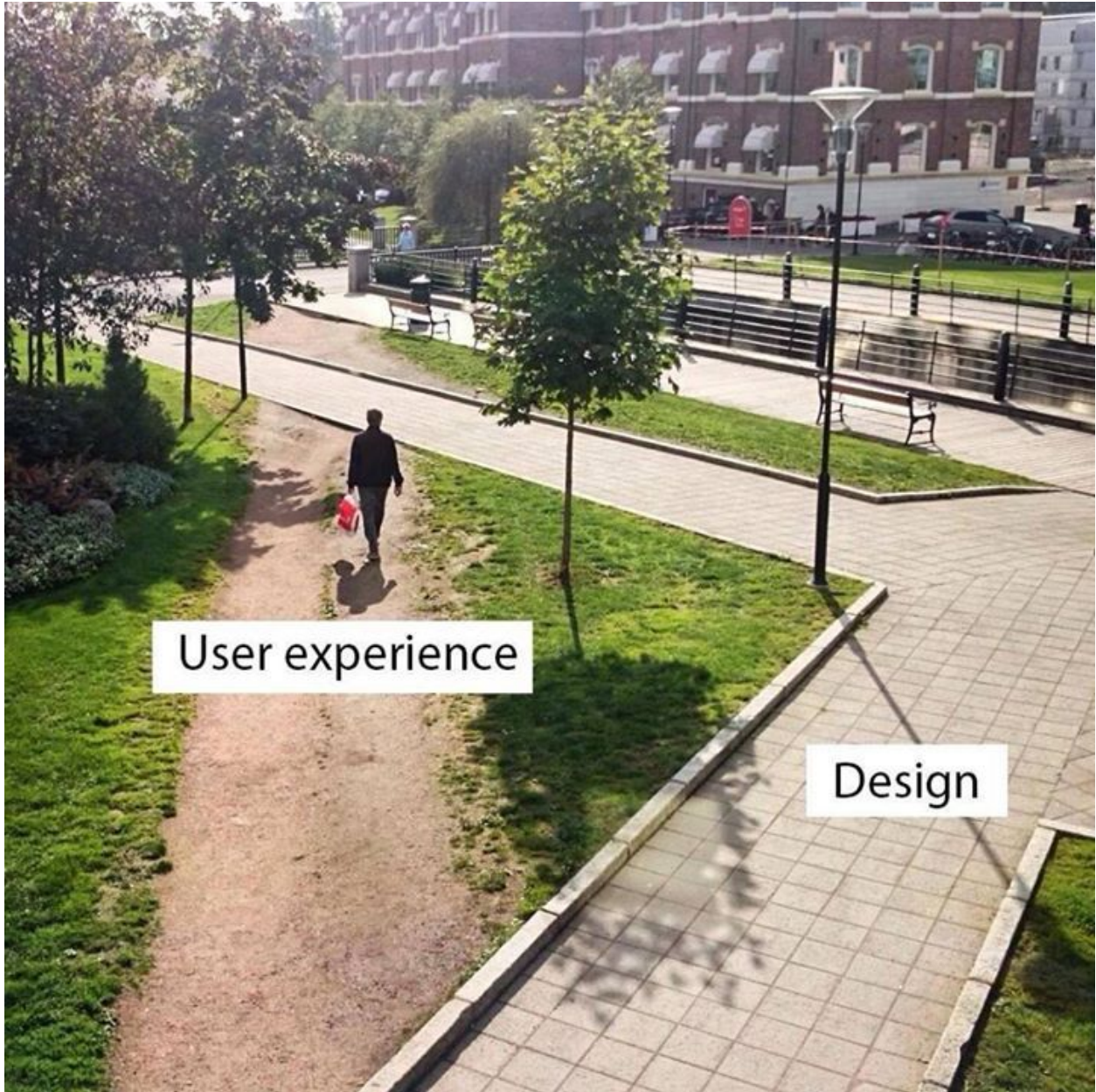


DESIGNING THE **PRODUCT** VS DESIGNING THE **EXPERIENCE**

Tomato, Tomato, what evs, I prefer hot sauce.



You damn kids stay off my lawn!



There is a war on grass going on here folks and I'm not talking about your wacky tobaccy.