# ANALYTICS IN CRO: DEVELOPING A CONVERSION RATE OPTIMISATION STRATEGY

## Abstract

To stay relevant in an increasingly competitive online arena, businesses are collecting, storing, and analysing data to understand their customers better and meet their demands. Metrics such as the visitors' country, traffic sources, and average time spent on a particular page help businesses in gauging the behaviour and buying patterns. However, there are other crucial metrics, which are usually not considered by businesses. This POV discusses those aspects to better understand complex buying patterns.

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# What is conversion rate optimisation (CRO)?[2]

'Doubling your conversions is easier than doubling your traffic' is a well-known phrase in marketing. A simple tweak on a landing page may double or even tenfold its conversion rate. The goal of any business is to convert leads into sales by leveraging a myriad of offline and online touchpoints to increase customer experience. But conversion could also mean subscription to a newsletter, filling a survey, or sharing a product or a service on social media. It depends on what your end goal is.

However, a study revealed that only one-fifth of the businesses are satisfied with their conversion rates. Any business decision maker would agree that this is a dismal number, which is why business leaders are making conversion rate optimisation (CRO) an integral part of their digital marketing strategy.* Businesses must learn how to articulate the message for their service or product better and improve the experience for potential clients to take action.[1]

CRO is the practice of refining or optimising the experience on a business webpage or landing page based on the visitor's browsing behaviour. The aim is to increase the prospects of the users to perform the desired action (conversion) on the website. CRO is different from search engine optimisation (SEO). SEO focuses on improving the website's reach through keywords. CRO operates on three main factors:[6]

- User experience (UX)
- Customer lifetime value (CLV) and retention
- User motivations and behaviour study

CRO adopts a systematic approach to improve the website's performance using its existing traffic and aligning it with KPIs and business objectives.



# Calculating conversion rate[2]

Conversion rate is calculated by dividing the number of conversions by the total number of visitors and multiplying the result by 100 to achieve the percentage.

*Conversion rate = (number of conversions/total number of visitors) x 100*

Consider that your website had 250 visitors in a month. Among these, if there were 24 who purchased the product, the conversion rate is calculated as follows: (24/250) x 100 = 9.6%.

## Adopting a user-centric approach

A business must adopt a process focussed on understanding what stops, drives, and persuades the users. This information helps give them the best user experience. We will discuss the 3 steps to adopting a user-centric approach.

**Step 1:** Find the parameters that drive customers to your website. Users arrive on your website through Google searches, social media recommendations, or recommendations from their friends or peers. You cannot tailor their experience by clubbing all the users under a single cohort. The message needs to be personalised and prioritised to target the right customers. Rather than guessing, it is best to ask them what they are looking for in their own words, for example, through feedbacks and surveys. Define user personas that are realistic representations of the visitors and what your customers need. Set up a survey with open-ended questions on your most-visited page. The questions could be about demographics, drivers, and barriers.[3]

**Step 2:** Research the causes that prevent customers from visiting your website.

- How people interact with each page is a significant factor. Instead of carrying out changes based on standard best practices, dive into user behaviour analysis to find the biggest barriers that prevent conversion.

    - Find high-exit pages. Build a funnel using Google Analytics and analyse it to see how many users start on one page and make it to the next. Some examples of typical funnels include:

        - eCommerce: Homepage > product page > cart > checkout > thank you

        - Lead generation: Category page > landing page with form > thank you

        - Blog: Homepage > article page > subscribe page > success page

    - Find the tricky sections on pages with high drop rates.

- Find the reasons people leave your website.

    - See what is causing user frustration. Once you zero in on problematic pages, you can opt for methods that can rectify them.

    - Monitor how users interact with web pages. Watch how they browse, scroll through, click the buttons, and abandon the website. You can do so by setting up session recordings on your website.

    - Engage with your visitors and ask them why they are leaving. You may do so by creating a short survey that appears during the exit.

**Step 3:** Find out what persuades visitors to take action. You can do so by:

- Asking your existing customers about what persuaded them to buy the product and what drove them away, which helps in defining the hooks and fears of the users

- Requesting your customers to elaborate on their top 3 concerns

# Benefits of CRO[4]

Now that we are aware of CRO and how to calculate conversion rate, let's look at how CRO can benefit a business. The benefits go beyond guiding visitors to perform a specific action on the website.

- **Improved SEO efforts:** CRO improves your SEO efforts. By keeping the visitor on your website longer, you can help them engage and reduce bounce rate. This increases the dwell time and makes your website rank higher on the search engines.

- **Better marketing ROI:** CRO testing increases your revenue over time, which in turn, increases the ROI from digital marketing. Identify the areas of opportunity for higher conversions and revenue. CRO testing also reduces the cost of marketing.

- **Better quality content:** To improve the user experience, you need to create good quality content and ramp up content marketing efforts.

- **Deeper audience insights:** Your audience interacts with your business online and offline. One of these online mediums is the website. CRO tools offer insights into how the users interact with the website, how they navigate, what pages engage them the most, and their interaction with the CTA or virtual assistant.

- **Understand visitor behaviour:** Learn about website design elements and their impact on the users. Use heat links to discover which links users click the most. These tools provide you information about B2B and B2C customer behaviour. To enhance the engagement further, you can create whitepapers and e-books around these topics.

- **Better user experience:** A great user experience can create the right perception of your brand. A/B testing determines the suitable layout, copy, and colours to motivate the visitors, improve their experience, and encourage them to buy.

- **Landing page and PPC optimisation:** High-quality PPC ads that are clickable can drive quality leads to your website. You can retarget high-intent and long-tail keywords.

# CRO optimisation is a cyclic process[1]

The CRO implementation and optimisation is a cyclic approach, which include the following elements:

- **Identify goals:** Businesses must know what they intend to achieve. Without a clear objective, optimising anything can be unsuccessful. If you want to optimise the homepage, you must list the tasks the page needs to perform. Do you want to collect qualified leads, direct the customers to level 2 product pages, or direct them to a blog post? Everything about your business is competing for a space on the homepage. The homepage should clarify if the business is relevant to the visitor and where they need to go further. You may need to set one or more of these goals:

  - **Immediate goal:** Clicking on a webpage or filling out a form

  - **Campaign goal:** Lead generation or purchases

  - **Long-term goal:** Impacting the net revenue, long-term value, lead quality, or average order value.

- **Gather data:** Once you have set the goals, you need to develop a baseline metric system. For each goal, note the user data, the current number, and the number you want to reach. Never depend on assumptions about what works and what doesn't. You can get present data from the following sources:

  - Site metrics from a traffic monitoring tool

  - User behaviour metrics

  - Customer and email data from your email service provider

  - Payment data from your payment processor

Once you have the current data, you are ready to analyse it.

- **Analyse data:** During the analysis, you use existing data to develop meaningful campaigns for optimisation. You can ask yourself questions such as:

  - Is the conversion data of my business acceptable?

  - What is hampering the conversion rate?

  - How and why is this happening?

You can use this information to move to the next step in CRO and develop a hypothesis.

- **Create hypothesis:** The real optimisation begins at this stage as the hypothesis tells you what you want to improve. Once you have the data and the elements that are likely hurting your conversion rates, you can set up solutions to fix those. You can make the hypothesis by creating a statement containing these three elements:

  - The approach you want to test

  - Your target audience

  - The outcome you expect from this exercise

The outcome is about your intent, and you need to be precise about the outcome. You also need to ensure that you can measure and improve the results.

- **Design CRO variants:** Use the hypothesis and the data to create test cases. Creating and running tests successfully takes time. This means you must choose the right tests to run on the pages you want to optimise.

- **Implement technology:** Once you have the variants, you need to implement all the necessary technology to make the changes and carry out the test.

It is also important to know when to run the test or not. The length of the test depends on the number of variants and conversions per day. To trust the test result, you should run it until it achieves statistical relevance. Statistical relevance is a way to prove that your test outcome is reliable. If you conclude the test too early, you won't have enough data to verify the hypothesis. Statistical relevance is difficult when you don't have enough traffic and, therefore, data. Here are some of the pointers to help you decide whether you should run the test:

- Do not run the test if it is just a functional issue with no ambiguity in the solution.

- Run the test if the page impacts long-term campaign goals.

- Scale and run tests on different web pages to drive more value.

- Avoid running the test if you do not have the resources to do it in a reasonable timeframe.

- **Analyse the results:** The next step is to analyse the results. At this stage, you need to perform these tasks:

  - Share lifts or losses

  - Figure out the 'why'

  - Draft a report

  - Archive the data

  - Share the test results with stakeholders

Include the name of the test, metrics, and timeline and visually show the variants in the report. Break down the long-form numbers and show what needs to be done to achieve the CRO goals.

# Strategies to improve the conversion rate[5] [6] [7]

Analysis paralysis is the idea that having too many options might make it difficult to decide. Visitors to your website may also experience this if there is an information overload, resulting in low conversions. Website conversion rates are typically about 2%, which is considered a fairly decent conversion rate. For every hundred visitors, you may expect only two customers. Many websites have a conversion rate of 0.1–0.2%. It takes a thousand visitors to convert one customer. Therefore, increasing your conversion rates is critical. Here is a list of tried and tested strategies to improve the conversion rate.

- **A/B testing:** Divide your website traffic into groups A and B. Each group gets to see a different version of your website. Test various factors such as headlines, colours, buttons, website design, calls-to-action (CTA), font size, and more. The key is to change only one thing from one version to the other till you reach the required CRO.

- **Customer value proposition (CVP):** It is the added value you bring to your customers that no one else can provide. Carefully crafted CVPs move customers right to the bottom of the funnel.

- **Use colloquial language:** The key is to not indulge in complex technical language while defining your product or service. Potential buyers want to read about the product and its benefits in simple language without scientific jargon.

- **Create urgency:** Studies show that if customers have too many options without a specific timeline, they tend to choose none. A sense of urgency and limited options can help save your customers from analysis paralysis. By using statements such as 'only a few left,' 'sale ending soon,' and 'sold out,' you let the customers know that the product may disappear from the shelves if they don't act now.

- **Deal with all concerns upfront:** Potential buyers leave the store because their concerns aren't handled properly. Having access to immediate help through a conversation with the executive works to solve the problem immediately. This makes the customer feel comfortable and closes the deal.

- **Create lead flow:** When you visit a website, you often see a slide-in-box or pop-up offering discounts or special registration benefits. These increase sign-ups on the website.

- **Conversion path optimisation:** Website visitors arrive through paid advertisements or a direct search. While they make a purchase, the clients become a marketing-qualified lead (MQL). This increases the conversion rate.

- **Optimise the content:** Add CTAs through CRO with high-performing content on your website. Combine it with high-performing and SEO-driven blog posts and advertisements.

- **Retarget the visitors:** Retarget those who have already visited your website using paid ads and push notifications. Engaging graphics, videos, and images with compelling offers help visitors make a purchase.

- **Rule of congruence:** The content and web pages on your website should not create confusion in the minds of the visitors. Tell your story and let the users navigate intuitively so they can purchase without any doubt.

# Collecting insights from CRO analytics[8]

You can only know the outcome of your CRO efforts if you have the required analytics. Here are some of the ways you can do it:

- **Real-time reports:** Check your website's activity and responses to campaigns in real time. Using this information helps further optimise the elements on the website.

- **Audience reports:** It may not be real-time data, but it gives you a snapshot of the audience, such as the demographics, devices, geographical location, and the source of the users.

- **Acquisition reports:** This information tells you how the users landed on your website.

- **Conversions:** This provides insights into the conversion goals, e-commerce reports, and multi-channel funnels. You can dwell further to understand user behaviour.
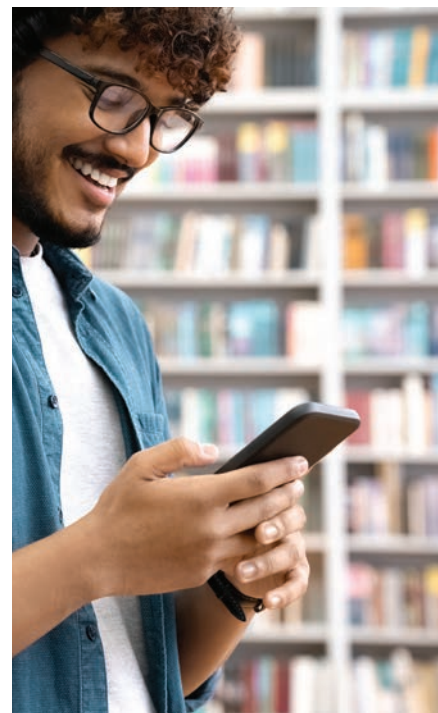
## Key takeaways

Optimising the website or any other asset is not a one-time job. It takes perseverance, long-term commitment, and an in-depth understanding of analytics to succeed in marketing campaigns and improve CRO activity. For an organisation, it is best to partner with an industry expert that can analyse your existing assets, provide consultation, and implement the necessary technology to maximise the benefits from your CRO efforts.

*For organisations on the digital transformation journey, agility is key in responding to a rapidly changing technology and business landscape. Now more than ever, it is crucial to deliver and exceed on organisational expectations with a robust digital mindset backed by innovation. Enabling businesses to sense, learn, respond, and evolve like a living organism, will be imperative for business excellence going forward. A comprehensive, yet modular suite of services is doing exactly that. Equipping organisations with intuitive decision-making automatically at scale, actionable insights based on real-time solutions, anytime/ anywhere experience, and in-depth data visibility across functions leading to hyper-productivity, Live Enterprise is building connected organisations that are innovating collaboratively for the future.

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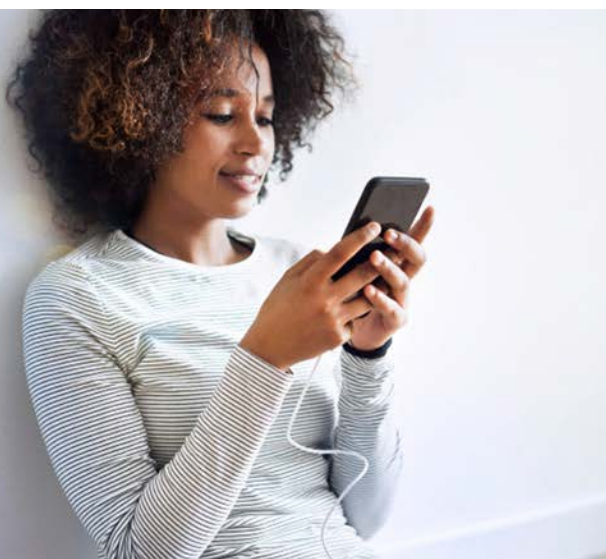
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