

1

Why You Should Test That

Almost everything that distinguishes the modern world from earlier centuries is attributable to science, which achieved its most spectacular triumphs in the seventeenth century.

—Bertrand Russell

What is optimization? The word *optimization* has become extremely popular in digital marketing in recent years, which has led to some confusion as well as a plethora of acronyms.

There's conversion-rate optimization (CRO), also known as conversion optimization (CO); landing-page optimization (LPO), which is really a subset of CRO; marketing optimization (MO); business process optimization (BPO); search engine optimization (SEO); website optimization (WSO); social media optimization (SMO); and now, apparently, video search engine optimization (VSEO) and more!

In Internet marketing circles, conversion-rate optimization is too often confused with SEO. I think the repeated use of *optimization* makes sense, but it can also be distracting. If we were in the business of pancake optimization, we would probably be pursuing the perfect pancake, right? Likewise, conversion-rate optimization is the pursuit of the optimal conversion rate, not a higher search-engine ranking or any other type of optimization or efficiency.

For the purpose of this book, we'll define conversion-rate optimization (or conversion optimization) as *the science and art of getting more revenue-generating actions from the same number of visitors*. If that goal sounds good to you, read on!

This chapter looks at how conversion-rate optimization can benefit your business: the importance of your website to your business and the likelihood that it may be underperforming for you; the importance of designing for effectiveness and not slavishly following “best practices”; and more. You’ll see how conversion-rate optimization can increase revenue without increasing advertising spend, and finally how CRO can work together with SEO.

Your Website Is Crucial to Your Business

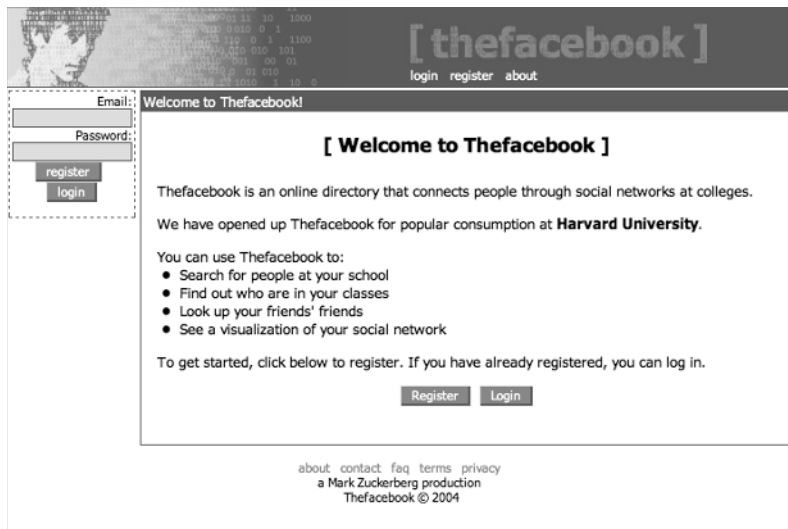
Do you remember what the Web looked like in 1994? Most people don’t. Many were just starting to read about the coming “information superhighway.” Some of the most popular websites didn’t even exist. Google.com and Dell.com both launched in 1996. Facebook .com didn’t show up in its original university-only version until 2004, and it was still called The Facebook. MySpace.com hadn’t yet had its explosive growth or its implosive decline. Here you can see examples of how some of the most popular sites originally looked.



Yahoo in 1994 was the search engine leader, providing links to most of the known Internet.



Google in 1998 quickly overtook Yahoo as the world’s most popular search engine.



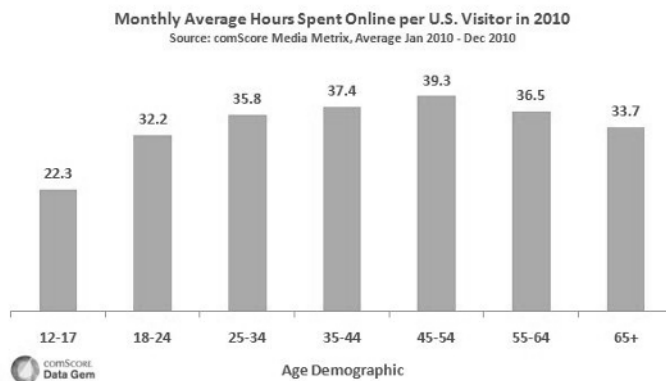
Facebook at its launch in 2004; it has since had many more redesigns than Yahoo or Google.

Back then, when I began my first web-design business, websites didn't get a lot of attention. Many of the businesses that hired me considered their sites inconsequential novelties or, at best, "brochures" that most customers would never see or interact with.

Businesses could afford to ignore the Web then. Only the geeky few of us with our plodding dial-up modems were online to see their websites, anyway!

Today, everything has changed. The Web is our daily companion. We connect with friends through social networks and get product and business information wherever we are with our mobile devices. The Web is our most important source of information and social interaction.

The average American spends between 22 and 34 hours per month online, and that number jumps much higher if you count mobile web browsing. Consider the Media Metrix research by comScore.

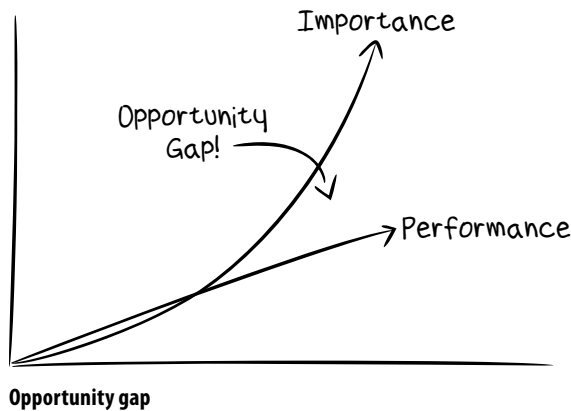


Average online time

Not only is the Web ubiquitous, but it's also highly influential. Up to 90 percent of purchasers are influenced by online research before making an *offline* purchase, according to a study by Experian.

We have a unique situation right now: the *importance* of the Web is still in a dramatic upswing, but the *performance* of most website experiences is still severely below potential. In other words, the experience and results of websites aren't living up to their owners' expectations and their performance potential. This translates to your online business getting fewer actions than you deserve.

The good news is that this has created a huge and growing opportunity gap. The potential to get more actions and better return on investment (ROI) is very real. Better yet, the book you're holding can give you a framework to get the extra revenue your customers *want* to give you!



This is one reason I'm excited about the long-term prospects for careers in conversion-rate optimization. The discipline, processes, and skill set needed to *consistently* improve web experiences will be valuable for a long time to come, and the necessary skills are also highly adaptable to other media.

Your Website Is Underperforming

To tell you that your website is underperforming is a pretty bold claim because I may have never even seen your website, much less analyzed your performance metrics. Nevertheless, I can confidently tell you exactly that: your website is underperforming its potential.

All Websites Can Be Improved

I've never seen a website that couldn't be improved. In fact, the best online companies in the world are committed to continuous improvement on their websites. Some of the

best-known examples include Google constantly tweaking and testing its algorithm and website design, Facebook testing, releasing, and modifying new features rapidly, and Amazon, which is well known for evolving its website through testing.

More important, let's think about you. What is your conversion rate for new visitors right now? 1 percent, 3 percent, 20 percent, 30 percent? Whatever it is, I'm willing to bet that you don't have a 100 percent conversion rate.

What Is a Conversion Rate? *Conversion rate* represents the percentage of visitors who complete your desired action, which may be to fill out a contact form, purchase a product, or call the sales phone number. It's calculated as follows: $\text{Conversion Rate (\%)} = \frac{\text{Conversions (\#)}}{\text{Unique Visitors (\#)}} \times 100\%$



If your company is like most, the vast majority of visitors leave without indicating the most basic level of interest. Are you satisfied that the majority of your expensive traffic is being wasted? Should you be allocating the majority of your scarce marketing budget to driving more people to this underperforming website?

The sad fact is that your website is turning away most of your prospects and customers in disappointment. The good news is that your competitors are probably in just as bad shape. Let's hope they're not reading this book like you are. You may have a window of opportunity to gain a strong lead!

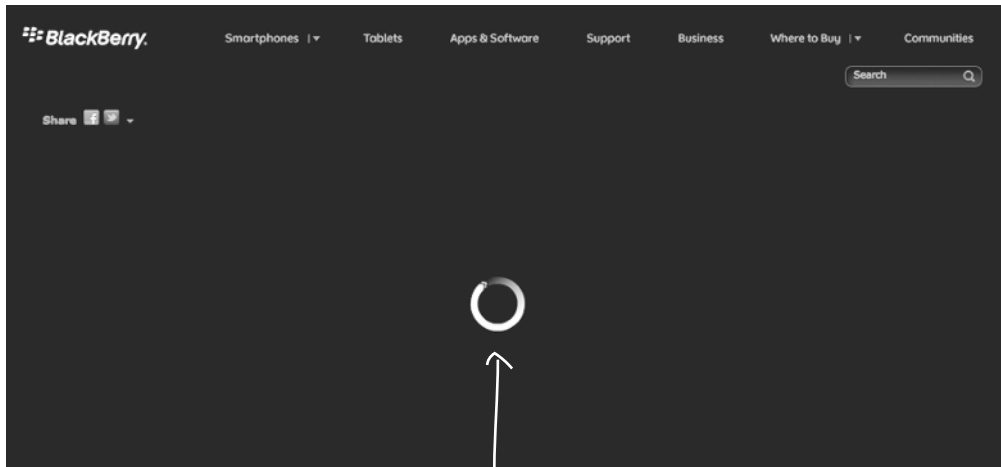
The Halo Effect of Underperformance

The *halo effect* is a psychological bias in which our perception of someone's strengths or weaknesses influences our perception of their other attributes. For example, if we have a favorite sports celebrity, our admiration of their sports talent will spill over into other areas, so we accept their product recommendations as valuable. That's why celebrity endorsements have worked so well.

Unfortunately, when your website is underperforming, it has a halo effect on your prospects' perception of your product performance.

Are You Fast?

For example, if you want to communicate that your product is fast, how quickly should your website load? Let's look at the website for BlackBerry smartphones. The home page includes complex hover effects with large background images and textures. The download requirements to fulfill the designer's vision cause a very slow load time. Here's what I saw for the first few seconds on the page:



Slow page load has a halo effect on product perception.

Unfortunate irony



Do you see the irony of the headline that appeared once the page loaded? The website experience is negatively affecting the exact value-proposition point that this company wants to promote.

Is It Easy?

If you claim that your product or service is easy, take a look at how easy your website is to understand and use:

- How many steps are in your signup process?
- How many fields of information are required in your purchase process?

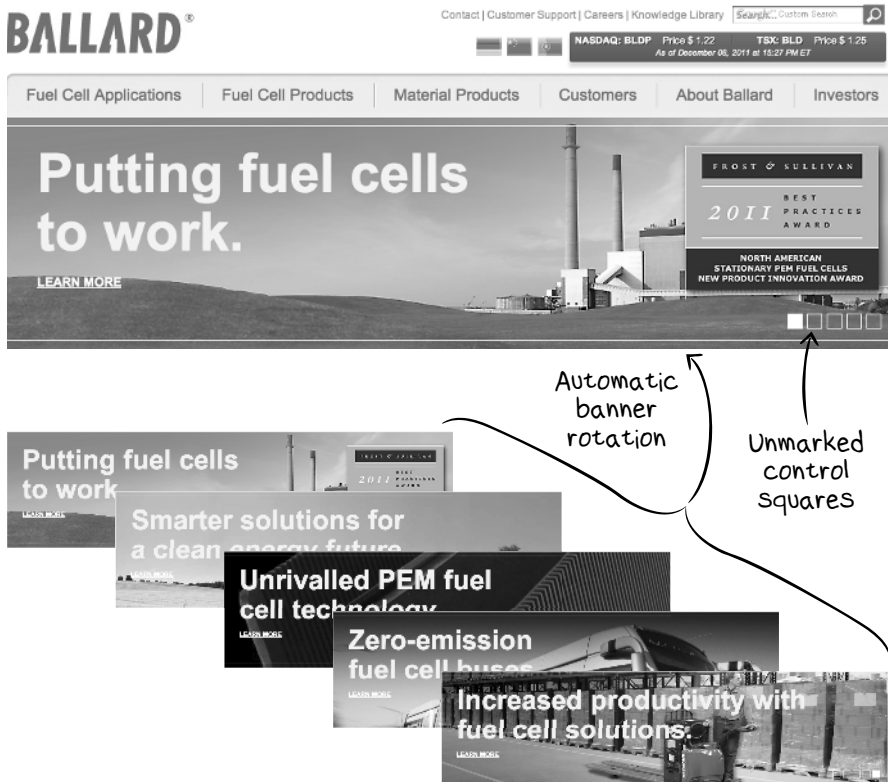
- How easy is it to find your shipping information?
- Is your product information understandable?

We'll get into more detail about how to identify these types of issues and more in Chapter 7, "Optimize for Clarity," Chapter 8, "Optimize for Anxiety," and Chapter 9, "Optimize for Distraction." The important point to understand is that the halo effect from your website's usability is influencing your prospects' perception of your product.

An Example: Rotating Offers, the Scourge of Home-Page Design

In WiderFunnel's conversion-rate optimization work, one of the most common elements we come across is the rotating home-page offer banner, or *slideshow*. It's a great example of how typical websites evolve common features that are harmful to business results. We have tested rotating offers many times and found them to be a poor way of presenting home-page content.

Our first example is the Ballard.com home-page rotating banner. Notice that each banner has small white boxes in the lower-right corner that indicate how many messages are being rotated. Each banner also has a small Learn More link, but these are white and barely visible on top of some of the images.



The Ballard.com home page has a banner that rotates in the sequence shown here.

The only positive these banners have going for them is that they don't have large copy blocks, which would have been unreadable. Unfortunately, most of those nice big headlines are so vague that the target audiences, products, and messages are unclear. Ballard has huge potential for improving its home page's effectiveness.

Next, consider the Forever21.com home page and its rotating banners.



The Forever21.com home page has a banner that rotates as shown here.

The Forever21 banners also show tiny boxes identifying the number of messages as they rotate.

Let's think about your visitor's experience in more detail for a moment. She arrives on your home page and needs to orient herself to your layout in order to decide which information to zero in on. A strong, page-dominant banner with a headline and bold image is where she's likely to start her focus.

Unfortunately, the message in that banner usually isn't relevant to what she's looking for. Why? The marketing department is featuring current events, offers, and news that may be important to some department within the organization, but not to the majority of visitors.

In the lucky event that your visitor sees an offer that looks interesting to her, she will want to read a little more about it. But just as she's gathered the motivation and confidence to click through and learn more, the rotator switches to the next offer.

What happens now? She's confronted with a second offer and has to decide whether to focus on reading it or getting back to the previous offer. She's feeling a little frustrated and disoriented at this point.

If she decides the first offer was really what she wanted to see, how does she return to it? She has to figure out how to control the slideshow without the benefits of an owner's manual. The web designer surely would have made it easy to navigate back and forth between offers, right?

Unfortunately, that's not the case. Your beleaguered visitor may have to locate a tiny row of dots or squares hidden among the bold, colorful photos in the offer onslaught.

You can, I'm sure, empathize with her likely reaction, which is to bounce off the site in frustration.

Web Design for Results (Rather than Aesthetics)

I sometimes give web designers and art directors a hard time about the websites they create. In reality, though, they're usually not the *only* cause of your website's conversion problems.

At some point early in the design process, the designer often asks the client for examples of websites they like. This may be a sign that things are heading in the wrong direction from the beginning.

The client inevitably selects the websites of the three competitors they think are the most "successful." Rarely do they branch out of their immediate industry environment. They certainly won't know where to look to find the Web's best-converting web experiences.

What is the basis for judging the websites the client selects? Neither the client nor the designer knows how well the chosen examples perform. Often there's no discussion of whether the example sites have similar business goals. The criterion for success in cases like this often becomes purely aesthetic.

You see, the problem with your website probably started with the criteria for judging a successful design. On one hand, the goal of the design agency is to end the project with a happy client. Of course it is. They want the client to pay the agency's invoice! Many are also motivated to win "creative" awards, which are based more on cleverness than business results. They want design samples that make their portfolio look great. The revenue attached to those designs for those awards doesn't matter.

When was the last time you saw a digital agency present the revenue improvement for each of their redesign projects on their website? If they do, they may be one of the rare breed of digital agency that cares about the end result of their designs.

On the other hand, the client usually doesn't give the design agency the proper goals to start with. They often don't tell the agency to do whatever is necessary to increase qualified leads for the sales team or lift e-commerce sales or affiliate revenue. They may just say that the current design is "tired" or "stale" or that the new CEO doesn't like it.

Often, the design is—tragically—driven more by the technical limitations of a chosen content-management system (CMS) than by lead generation and sales goals. Why is this allowed to happen? If you’re paying for a new website, shouldn’t it improve your business results? Clients and agencies *both* need to reevaluate the outcome of their work. If it doesn’t produce measurably improved business results, it’s just busy work and a waste of marketing budget. You can turn this around by ensuring that your next website update begins with the business and website goals and the criteria for measuring success in terms of specific website actions that produce more revenue.

When goals and success metrics are in place, you have a much better chance of improving those metrics. Unfortunately, even when website owners have clear goals, objectives, and metrics, they may fall into the temptation of seeking out quick-fix advice or “best practices” to follow.

Why “Best Practices” Aren’t Best

It’s rare to find a website where design and content have been based on research from controlled testing. Web design teams give too much credit to other sites’ design teams and don’t have enough time for controlled conversion-rate optimization testing.

Judging by the similarities in the layouts and design within industries, most websites are based on copying competitors. This follow-the-average approach leads to poorly performing elements becoming accepted as “best practices” just because they’re common. There’s a saying that “Everyone wants to be ‘normal,’ but no one wants to be ‘average.’” Do you really want your website to be average?

To compound this copy-the-average problem, clients often feel intimidated by agency and design professionals. I’ve worked with some very smart and capable agency strategists, but clients often put too much trust in their agency’s opinions. Agencies foster a know-it-all image, which can lead to bogus opinions that carry the weight of professional recommendations.

Clients, agencies, and designers all have to take responsibility for questioning professional opinions. Ask for the data, look for the flaws in the reasoning, and always question assumptions.

At WiderFunnel, we joke that we’ve chosen one of the most humbling businesses to be in. Every time we deliver a recommendation to a client, we know we’ll have to test it—and not just with opinion-based user testing, but with statistically significant, scientific, controlled tests! This means our test variations may “lose,” and we may be “wrong.” But I wouldn’t want it any other way. It’s exciting to see a test we’ve planned deliver proven revenue lift time after time.

What is often missing in “best practice” recommendations is a consideration for your unique business environment, goals, and target audience. Your website should be

a vehicle designed to uniquely communicate the value proposition of your product or service and then make it easy for visitors to take the desired action.

Whenever we find ourselves in opinionated debates about website content or design, we always have a tie-breaker argument, and I recommend you use it, too. We simply say, “Interesting idea. **You Should Test That!**”

Is There a HiPPO in the Room?

Is your organization or department run by a HiPPO? No, not the savannah, mud-rolling type of hippo. I’m talking about the *highest-paid person’s opinion*. Google knows all about the dangers of this HiPPO. The Google marketing team has a very cool HiPPO mascot that they travel the conference circuit with, to make this point.



Trevor Claiborne, Google; HiPPO disguised in suit; Chris Goward



Note: Isn't it amazing how quickly opinions converge with the HiPPO's? My friend Avinash Kaushik deserves credit for the HiPPO concept and for advocating better methods for decision-making! He first mentioned the HiPPO concept on his excellent blog in 2006. You should read it: www.kaushik.net.

The HiPPO method is one of the ways organizations make decisions about their website design. Take a look at the decision methods that follow. Which one does your organization use?

The HiPPO Method Imagine you're in a conference room with the stakeholders involved in your website redesign. There are representatives from Marketing, IT, Sales, Product, and Engineering. Your web designer presents the design concepts and lays them on the boardroom table. Does the majority around the table carefully hide or hedge their opinions about the design until the HiPPO has given an opinion? If so, your organization has fallen victim to the HiPPO method of decision-making. These city-dwelling, HiPPO-following organizations cause all kinds of problems.

The Black Turtleneck Method Now imagine yourself in the same conference-room scenario. This time, a person wearing a black turtleneck and sunglasses (indoors) points at the "best" design. His opinion is backed up by a very convincing professional rationale and experience, of course! If the majority of opinions follow this seasoned expert, your company has been fooled into the Black Turtleneck method. Unfortunately, the longer these gurus are followed, the more confident they become about their opinions and the less frequently they challenge their own opinions with valid data.

The Customer Tested Method The third method of decision-making uses the scientific method of hypothesis and testing to find optimized solutions. You formulate hypotheses about which page layouts will encourage the highest conversion rate and use controlled A/B split testing to find out with statistical confidence. In this scenario, when your designer presents design alternatives, you say, "Those look like interesting design options. **We Should Test That!**"

Of course, I recommend the third method. If you get good enough at it, you'll be so successful that you, too, can roll in the mud or wear sunglasses indoors!

The Risks and Costs of Website Redesign

You may be considering a website redesign to fix your conversion problems. Often, companies that need to improve their website results believe a redesign is necessary. In some cases, we've had clients put their redesign projects on hold once they learn about the options conversion-rate optimization presents.

Redesigning the site has the benefit of giving you a clean slate and letting you fix everything at once. It may seem like an easier task to redraw the current information

architecture, wireframes, design, and content than to try to work within the constraints of testing individual components.

A website redesign is a risky endeavor, though. The investment of time and money can be enormous and difficult to accurately estimate. There is always a risk of the dreaded scope creep, which blows budgets. Most important, it may not give you the results you hope for.

Many website managers carry battle scars from redesign projects that were long overdue, over budget, and underperforming. There is also no guarantee that a *carte blanche* do-over will improve your results.

Your New Website Design Could Hurt Your Results

A dirty little secret of website redesigns is that the new site often reduces conversion rates and revenue. You may have heard stories similar to those I have from companies that have spent huge sums only to see a significant revenue drop-off after the new site is launched.

There are several reasons for this:

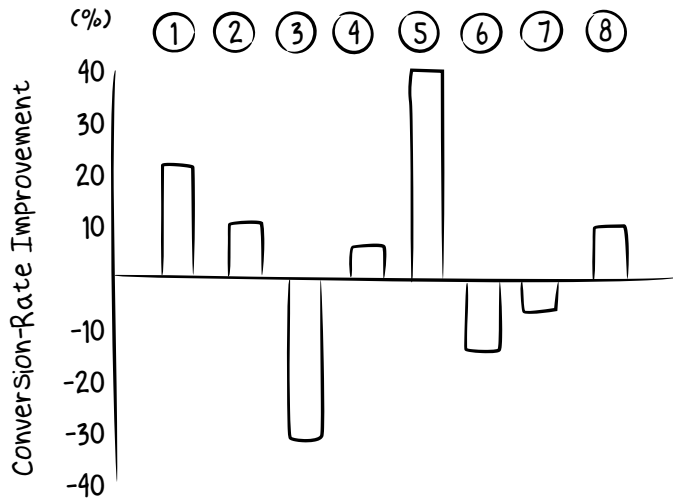
- Your most valuable repeat customers may be accustomed to the current site layout and confused by a new site. Their confusion will result in lost revenue for you.
- The new design may fix some conversion problems but unintentionally introduce worse ones, with a net effect of reduced conversion rates.
- Most important, your website design may not be a problem, and the redesign could end up being a complete waste of time and money with no improvement to show for it!

Using a start-from-scratch redesign really just guarantees that you'll use the HiPPO or Black Turtleneck method on every page of your site. That's not what you want to do, is it?

Your Improvements May Be Overshadowed by Mistakes

An equally disappointing result can occur even if you *do* see a conversion-rate improvement after launching the new site design. In the process of the redesign, you'll change many hundreds or thousands (or hundreds of thousands!) of components. The changes will range from individual design elements like buttons, logos, colors, and fonts to linking structure and page flow, to page-content selection and creation. Regardless of the overall result, how do you know which of the many factors were responsible for positive or negative conversion-rate changes?

The following hypothetical graph illustrates this problem. Even in this simplified scenario with eight website changes, you can see how potentially large improvements can be masked by the cumulative effect of all the modifications.



- ①. New home-page headline
- ②. New home-page imagery
- ③. New lead-gen contact form
- ④. New graphic standards
- ⑤. New shopping cart shipping calculation
- ⑥. New call-to-action buttons
- ⑦. New survey popup

Website redesigns mask the effects of the many individual changes.

Imagine if you could identify the changes that yielded a positive effect and keep only those, while discarding the negative changes. Well, you can do exactly that with controlled testing. Testing the effect of one change is called an *isolated* variable, and it's an important part of experiment planning that we'll discuss in Chapter 4 ("Create Hypotheses with the LIFT Model"). By testing alternative page variations that differ by only one element, you can isolate the effect that the single element has on your revenue.

In the previous example, if you ran an isolation test on the home-page headline, you would know that it had improved your conversion rate, and you could also gain some insight into the types of messages that appeal to your home-page audience. On the other hand, if you redesigned the site without testing, you would be unaware that your new contact form is seriously hurting your results. Masking the effects of individual changes is a risky way of redesigning your website!

Use Evolutionary Site Redesign

There is a less risky approach than a complete website redesign—one that maximizes your conversion-rate improvement by isolating the impact of individual changes. This approach gives you two options: I call the traditional method a *revolutionary site redesign* (RSR), where you switch to a brand-new site all at once; alternatively, you can use *evolutionary site redesign* (ESR), where new design, layout, and content elements are tested and your website gradually evolves toward the best-performing ideal.

In an ESR redesign, you prioritize your most important pages and page templates and test new layouts, designs, and content with controlled testing. You get all the benefits of a new site design without the risks.

As you've probably guessed, ESR essentially uses conversion-rate optimization principles to redesign your site. You end up with a new site “look and feel” and conversion-rate lift at the same time.

Conversion-Rate Optimization Increases Revenue without Increasing Advertising Spend

The best thing about conversion-rate optimization is the result: You get increased revenue without the need to increase your ongoing advertising spend. You can keep spending the same amount of money, driving the same amount of traffic, and you'll get more leads, sales, and revenue from a conversion-optimized website.

Where else can you invest effort to get that kind of result?

Comparing Conversion-Rate Optimization with Paid-Search Optimization

Running tests on your paid-search ads is a great way to get more leads and sales. I highly recommend testing your ads. Consider the end result, though. Even if your testing finds a better ad that improves your click-through rate (CTR), you still have to pay for those additional clicks! And what if those extra paid-for visitors don't convert into customers?

Let's look at an example that compares the results of paid-search optimization and landing-page optimization. (By the way, the exercise we're about to look at is as complicated as the math will get in this book. In years past, you may have needed a Ph.D. in statistics to run optimization tests; but with all the great tools that take care of the calculations now, you just need a website and some good ideas. We'll spend much more time on strategy and test ideas than number-crunching.)

In the following table, we assume a \$3 cost per click (CPC) using a paid-search advertising platform like Google AdWords or Microsoft adCenter and 100,000 paid search impressions.

Cost per conversion for paid-search optimization and landing-page optimization

	Paid-Search Impressions	Paid-Search CTR	Landing-Page Visits	Landing-Page Conversion Rate	Conversions	Ad Spend	Cost per Conversion
Original (Baseline)	100,000	2%	2,000	2%	40	\$6,000	\$150
Scenario 1: Paid-Search Optimization	100,000	2.2%	2,200	2%	44	\$6,600	\$150
Scenario 2: Landing-Page Optimization	100,000	2%	2,000	2.2%	44	\$6,000	\$136
Scenario 3: Both	100,000	2.2%	2,200	2.2%	48.4	\$6,600	\$136

Before beginning optimization, we discover in this example that the company is spending \$6,000 to get 40 conversions, for a CPC of \$150. If the company spends its effort on A/B testing its search ads and modifying its campaign structure, let's assume it can improve its CTR by 10 percent, from 2 percent to 2.2 percent. The result is 10 percent more conversions: 44 versus 40 originally. The budget has also increased by 10 percent to \$6,600.

Instead of testing its ads, if the company were to spend its time A/B testing its landing page, its could increase the conversion rate by 10 percent. (Hang on for a couple more pages, and I'll tell you typical lift rates I see from conversion-rate optimization.)

The result from landing-page optimization alone is also 10 percent more conversions, shown in scenario 2, but the budget hasn't increased. The CPC has actually decreased by \$14!

The best option is to do both, as in scenario 3. The company has maximized the CTR to get more visitors to the site, and it's capturing more of those prospects with an improved landing page. The result is 48 new customers (a 20 percent improvement) and much lower CPC (\$136 versus \$150).

For most marketers, the best return on investment and effort is to optimize the on-site conversion experience. If you have to prioritize your effort, focusing on conversion-rate optimization first will not only improve the efficiency of your PPC advertising spend. It will also multiply the effect of *all* your traffic-generating activities, such as other advertising, social media, direct marketing, and public relations.

Conversion-Rate Optimization and Your Business

Every company with an online presence can benefit from conversion optimization. But to be fair, some benefit more than others.

Your company is most likely to get the best results if it has certain characteristics. You should prioritize conversion-rate optimization if the following are true:

- You already have a high-traffic website (and the more, the merrier!).
- You have a goal of generating leads, selling products or services, or generating affiliate or ad revenue from your site.
- You want to generate more revenue (you would think this is a given assumption, but I'm regularly surprised by the non-revenue criteria some companies use for decision-making).
- You have, or are willing to foster, a culture of data-driven, scientific marketing.

If your company has these characteristics, I have great news: conversion-rate optimization can produce great results for you! As with any marketing activity, a certain amount of effort is required to run conversion-rate optimization experiments. The higher the traffic volume on your experiment pages, the greater return you'll get for your investment of effort. But even if your website is just starting to build up traffic levels, you can benefit from testing. Take care to spend time planning a test with dramatic differences, and prepare to leave it running long enough to get statistically significant results. There's no harm to be done by leaving a test running, and you never know what you may learn quickly.

Conversion-Rate Optimization Results by Industry

In our experience, there is no industry, goal, or target audience that can't get great results from conversion testing. Shown next are average conversion-rate lift results that WiderFunnel has achieved for completed experiments for our clients using the testing process and methods you'll read about in this book. The following averages are based on WiderFunnel test results for our clients from 2007 to 2012.

Category	Average Conversion-Rate Lift
Lead-generation goals	49.0%
E-commerce goals	23.1%
Business-to-business (B2B) target market	76.9%
Business-to-consumer (B2C) target market	32.3%
Overall	39.6%

Although these conversion lift results aren't achieved overnight and often require multiple rounds of tests, conversion-rate optimization clearly has been worth the effort for these companies, and it will be for you, too!

Calculate the Benefit of Conversion-Rate Optimization

Building a business case is more easily done for conversion-rate optimization than for other marketing projects. How often are you able to propose a program that will let you predict the benefit with statistical confidence? Not often, I'm sure.

At the most basic level, you can calculate the benefit by multiplying total revenue generated by the website by the expected conversion-rate increase. For example, suppose an e-commerce store sells \$10 million annually and expects to improve its site-wide conversion rate by 10 percent. You can roughly estimate the revenue lift as follows:

$$\$10,000,000 \times 10\% = \$1,000,000$$

This is a simple top-down estimate. For greater accuracy, you can verify the revenue associated with potential experiment pages by building the numbers from the bottom up. For example, looking at the e-commerce business, you can calculate potential revenue lift as follows:

	Original	10% CR Lift	20% CR Lift	30% CR Lift
Landing-Page Visitors (Annual)	400,000	400,000	400,000	400,000
Sales Conversion Rate	1.5%	1.65%	1.8%	1.95%
Sales to Landing-Page Visitors (#)	6,000	6,600	7,200	7,800
Average Order Value	\$45	\$45	\$45	\$45
Landing-Page Revenue	\$270,000	\$297,000	\$324,000	\$351,000
Expected Revenue Lift	-	\$27,000	\$54,000	\$81,000

Improving your conversion rate is only one possible outcome, though. We often find just as much benefit for our clients by improving *average order value* (AOV). If we

assume a potential 20 percent increase in conversion rate and a 10–30 percent improvement in AOV, the calculation looks like this:

	Original	20% CR Lift and 10% AOV Lift	20% CR Lift and 20% AOV Lift	20% CR Lift and 30% AOV Lift
Landing-Page Visitors (Annual)	400,000	400,000	400,000	400,000
Sales Conversion Rate	1.5%	1.8%	1.8%	1.8%
Sales to Landing-Page Visitors (#)	6,000	7,200	7,200	7,200
Average Order Value	\$45	\$49.50	\$54	\$58.50
Landing-Page Revenue	\$270,000	\$356,400	\$388,800	\$421,200
Expected Revenue Lift	-	\$86,400	\$118,800	\$151,200

You can see how quickly the improvement adds up!

A business that generates leads for the sales team can do a similar calculation by placing an estimated value on each lead. Each lead-generation company has to decide on a method for valuating leads as accurately as possible. A calculated lifetime value (LTV) method will give the best results.

Lifetime Value Calculating lifetime value (LTV) can be an interesting and valuable exercise for companies to go through. A customer LTV tells you the average net value of a new customer by accounting for more than just the initial purchase. If you can estimate the percentage of customers who make repeat purchases and the average order value, you can approximate the customers' total value. Determining your LTV is outside the scope of this book. For more information, you can start with the links posted at YouShouldTestThat.com/WhyYouShouldTestThat.



The visitor volumes for sites that generate leads are sometimes lower than for e-commerce sites, but the LTV often compensates for that. For example, a B2B software

developer may value each lead much higher than a single consumer e-commerce transaction. Here is a typical lead-generation scenario:

	Original	20% CR Lift	30% CR Lift	40% CR Lift
Landing-Page Visitors (Annual)	120,000	120,000	120,000	120,000
Lead-Generation Conversion Rate	5%	6%	6.5%	7%
Leads Generated (#)	6,000	7,200	7,800	8,400
Lifetime Value per Lead	\$45	\$45	\$45	\$45
Landing-Page Revenue	\$270,000	\$324,000	\$351,000	\$378,000
Expected Revenue Lift	-	\$54,000	\$81,000	\$108,000



Note: The numbers for your business will likely be different, but this should give you a framework for thinking through the upside potential. For more in-depth calculations to help you build a business case for conversion optimization, you can download free online calculators at YouShouldTestThat.com/YouShouldTestThat.

CRO Works alongside SEO

Companies are often concerned about how conversion-rate optimization will affect search engine optimization (SEO) efforts. We all know that an effectively search engine–optimized site is a beautiful thing. Traffic flows in from natural search rankings without you needing to spend fees for pay-per-click ads.

However, that site traffic is useless unless those visitors become customers, and that’s where conversion-rate optimization is required. Without conversion-rate optimization, all the SEO in the world will, at best, increase your traffic levels. But your conversion rate won’t improve. Or worse, unsophisticated onsite SEO techniques will actually lower your conversion rate. (You know the type of site I mean: the copy is so stuffed with repetitive keywords that it’s impossible to read. That’s a credibility killer.)

SEO and CRO Can Play Well Together

Fortunately, the principles of SEO and conversion-rate optimization are totally compatible. Here are some foundational principles that apply to both SEO and CRO:

- You’ll achieve better search engine rankings with pages that focus on a single topic or product. This will improve your conversion rate, too.

- Testing clear and relevant headlines instead of overly clever headlines (such as your ad agency's big idea) will improve both SEO and CRO.
- Replacing complex content presentations and animation (for example, Flash-esque content) will usually improve your SEO and conversion rate.
- Using clear content hierarchy with proper heading tags will help with SEO and force you to think about your message progression, which will probably help your conversion rate too.

As a Google Authorized Consultant, I've spoken with key individuals at Google about potential impacts of CRO on SEO, and the company's stated policy is to *not* penalize pages that have been tested using split testing tools. They've told me that Google wants to reward pages that provide what visitors are searching for. In fact, Google has requested that I provide any examples of conversion-optimized pages that have decreased in search or quality score ranking due to conversion-rate optimization so the company can address it. I have yet to see an example.

Conversion-rate optimization can also help your SEO efforts in other ways:

- A page that's optimized for conversions is more usable and visitor-friendly, which makes it more likely to receive inbound links and referrals.
- Search engines rank pages more highly if they're updated frequently. Conversion-rate optimization activities will tend to keep your layout and content fresh.
- A conversion-rate optimization process will discover more relevant keywords that match what visitors are searching for.

How to Do CRO without Hurting Your SEO

As added assurance for those concerned about SEO, here are specific technical tips to help you during and after the running of a conversion-rate optimization test:

During Your Conversion-Rate Optimization Test

- Use a proper CRO tool that uses a JavaScript redirect, which will render your test invisible to search engines.
- Add your challenger variation pages (in the case of an A/B/*n* test) to your robots.txt file to block spiders, for a double layer of protection against duplicate-content penalties.
- Use the same title tags, meta tags, and heading content in your challenger pages as in your control page so you don't forget to include them when you implement the post-test champion page as the new control.
- Use standards-compliant code on your challenger pages, and implement SEO best practices, such as `img alt` attributes, search-friendly text, and CSS-based code.

- Move supplemental on-page content below the page fold if you feel it's important for SEO but not for conversions.
- It's possible to have content appear first in the page code but lower on the visible page presentation. This is a consideration if your important SEO content may be hurting conversions.

After Your Test

- Once a winning page is declared, it should be double-checked for SEO best practices, and any structural and coding modifications should be made based on your SEO protocols.
- When you replace your old page with the new higher-converting page, use a 301 permanent redirect from your variation page URLs in case anyone linked to, or bookmarked, one of the variation pages during the test.

If you follow the tips and tricks in this section, you'll achieve a powerful one-two punch for your website: maintaining good SEO brings you more qualified traffic, and good CRO converts more of that traffic into customers.

You Should Test That!

I hope you're convinced that you need conversion-rate optimization in your business. In the following chapters, we'll look at how to develop a conversion-rate optimization strategy and get the best results from your ongoing testing program. Chapter 2 will explain the scientific method of controlled testing on websites, dispel common misconceptions about conversion-rate optimization, talk about how to plan your target markets and set goals, and finally show how to use the seven-step conversion-rate optimization cycle.

As you embark on your journey, remember to always keep handy your conversion-rate optimization mantra. Whenever you come across an un-optimized page or a strong opinion about your marketing, you can say, "**You Should Test That!**"



Note: As you progress through this book, you'll see links to supplementary material and downloads. Each chapter has a section for additional resources and for discussing the chapter topic with others. For this chapter, go to YouShouldTestThat.com/YouShouldTestThat to contribute your ideas and join the discussion.