The Conversion Funnel & Persuasion Architecture:

How to Continually Fine-tune Your Site to Deliver Superior Results

WHITE PAPER

OMNITURE™

INTRODUCTION

If there is one metric that nearly all marketers keep an eye on, it is the conversion rate. While the concept of conversion differs by industry, all companies have a definition of success. For lead generation Web sites, a conversion event may be an information request. For a media publisher, it may be getting a customer to register or subscribe to services. And, of course for a retailer, purchases are the most obvious conversion event, although those listed above may apply as well. Whatever success looks like for your company, you'll need a strategy to benchmark it, measure it, and improve it. In this paper, we'll discuss how you can use SiteCatalyst to help push more traffic through the conversion funnel, and how to infer motive from data.

WHAT IS PERSUASION ARCHITECTURE?

The term "Persuasion Architecture" means that a Web site has been constructed in such as way as to convince visitors to take the action(s) you desire. It generally has been conceptualized from the customer perspective, using personae, which we'll discuss later. A site with strong persuasion architecture has the following characteristics:

- Clear calls to action
- Concise, easy to understand language
- Navigational elements that are universally accepted and tested
- Reminders throughout the customers' sessions about the benefits, safety, and relevance of using the site

WHY PERSUASION ARCHITECTURE MATTERS

The best Web sites are in a constant state of change. Even though it may not be readily apparent to the end user, savvy site owners continually try new features, selling tactics, and service offerings. Without a measurement strategy in place, it can be difficult to measure which changes persuade and which dissuade. But with a well-thought-out strategy, it becomes possible not only to give a thumbs-up or thumbs-down to the initiative, but also to calculate its ROI.

FIGURE 1: PRODUCT COMPARISON

MEASURING INCREMENTAL IMPROVEMENT

When looking to improve KPIs, such as conversion rate, average order value or items per order, think about what you really want to positively affect. First, set specific goals. A vague goal like “improve average order value” is a step in the right direction. It's certainly attainable, but less valuable to the organization than a specific goal like “increase average order value by 4 percent, from $150 to $156.” Why is this better? Because it can be tied back to specific financial goals, providing a measure of how successful you are. Next, take into account the cost of the initiative. How many man-hours did it take? How much did you spend on technology, hardware, or perhaps even Best Practices consulting? Factor in these costs when calculating ROI.

To see how the metric is performing against historical data, SiteCatalyst offers both “trended” and “improved” views. The trended view places the marketer a “power” position, as they're able to see how the metric has been affected over time. The improved view is the best gauge of lift, as it will display the percentage increase or decrease over a user-defined time period. If you made a change to your site in February, run the “improved” report to see how February’s results compare to January’s. In Figure 1, we see how products purchased in February compare to the same products in January. We’ve sorted this report by revenue, but you can also sort it by the percentage of improvement. If you do this, beware the “law of small numbers.” If you sold 2 of a product in January and 4 in February, it’ll show 100 percent improvement, but it’s still considered a dud.

SIDENOTE—Beware the Domino Effect

While all changes made to a Web site are designed to improve it, they don't always have the desired effect. Since you're tracking the metrics you wish to affect, this is relatively easy to tell. Much harder to discern, but no less important, is the indirect effect on other site operations, measures, or metrics. For example, a retailer who implements a "One-Click" method of placing an order may see improvement in conversion rates, thus driving up profitability. But, they may also see an increase in calls to their Customer Service department from customers who inadvertently placed an order that nullifies the gain. It is important to involve your Web analytics team in the redesign process early on so that they are aware of the intended results and can think through how to measure indirect effects of the change.

WHY CONVERSION FUNNEL REPORTING IS IMPORTANT

The conversion funnel is "where the rubber hits the road." Attracting users to your site is an art, but getting them to take the actions you desire is another discipline entirely. Conversion Funnel reporting is undoubtedly the best measure of exactly how persuasive your Web site is.

WHAT CONSTITUTES CONVERSION?

It's important to mention that "conversions" don't necessarily need to be purchases or other commerce-related events. As mentioned earlier, a lead-generation site's notion of conversion may be getting customers to request information. Whatever defines a successful event in your business, think about the "micro-conversions" that lead to it. Taking the example of the lead generation site, steps to conversion are listed below:

1 Customer visits homepage
2 Customer clicks link to visit new product page
3 Customer clicks on new product info request link
4 Customer fills out the info request form
5 "Thank You" page is rendered

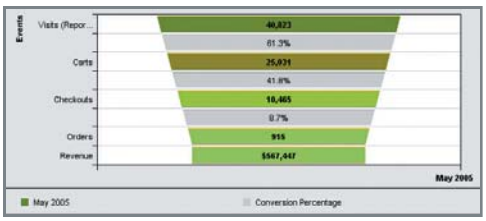

FIGURE 2: FUNNEL DROPS

FALL-OUT REPORTING

Once the steps to conversion are defined, it's easy to see where the biggest roadblocks to conversion lie. In Figure 2, we see how the number of visitors in the funnel drops with each step in the process. While that's perfectly natural, it's interesting to note that 41 percent of potential customers who added a product to their cart did not continue on to the checkout process.

The natural question that arises is "where are they going?" This can be answered by running a path report from the problem page.

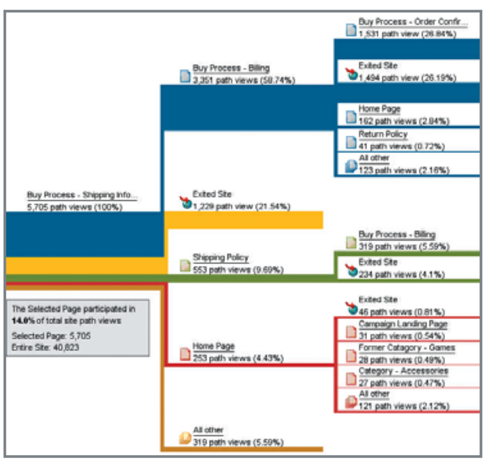

FIGURE 3: RESULTANT PATHING REPORT

Figure 3 shows us the resultant path report where roughly half of the 41 percent of users are leaving the site. Not good. But the next largest group is visiting the "Shipping Policy" page, and more than half of those people continue on to the "Billing" page—the desired path. The logical solution would be to include the shipping policy in a salient place on the "Shipping Information" page, thus keeping them in the conversion funnel.

DIVE DEEPER WITH SEGMENTATION & A/B TESTING

Now you know how all your customers react once in the funnel, but how do particular groups of customers respond? There are often vast differences in behavior among different user's segments, particularly when you contrast groups with disparate attitudes, such as first-time visitors compared to repeat buyers. While it's logical that first-time visitors will convert at a lower rate than return customers, you'll notice differences in points of attrition—especially in the paths they take from those pages.

The same is true when running an A/B test of two versions of the same site. Assuming the steps to conversion are the same but the look and feel of the two site versions differ, the conversion funnel allows you to see if the attrition by step is better or worse, or if the roadblocks are the same on both versions.

STEPS TO RE-ARCHITECTING YOUR SITE FOR PERSUASION

While much of this process is the domain of Information Architects and Designers, there are best practices to share. First, start off by doing some persona development. Think about the various types of customers who visit and interact with your site. You should have a sense of your visitor demographics and know if your site leans more heavily toward an audience comprised of senior citizens, college students, working moms, etc. Consider how each of the key personae uses your site-study the most popular site sections for each group, take note of their attrition points and paths. Examine their technographics, paying particular attention to monitor resolution settings, the percentage of customers using broadband versus narrowband, what browsers they're running, and if they're capable of running the latest version of JavaScript.

You'll want to create wire frames for each of the conversion events you've already identified. How would each of the various segments navigate through the event? How will that affect the placement of navigational elements? Should the copy be tweaked? Is the value clearly stated? It is? Good. Now you're ready to begin redesigning.

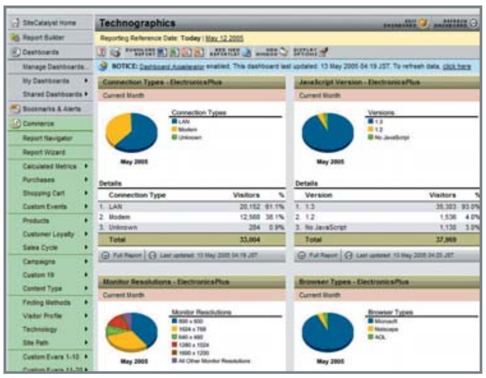

FIGURE 4: DASHBOARDS SHOW US MORE

The actual process of redesigning a site for Persuasion Architecture involves reviewing the copy, graphics, and overall look and feel of the site. Next, create storyboards and think about what color palette is most appropriate for your company and your intended audience. For instance, if your site caters to an older audience on dial-up, you don't want a graphically intensive homepage, or a black background, which takes longer to render and can be difficult to read.

In Figure 4, a dashboard has been created to show the technographics of the site's visitors. We see that the majority of their users are on a broadband (LAN) connection, are able to receive the latest version of JavaScript, have a relatively low monitor resolution of 800X600, and use Internet Explorer almost exclusively.

SIDENOTE—The Rule Of '1'

It's a generally accepted best practice that if more than 1 percent of your site's visitors share a certain technographic trait, such as browser type, monitor resolution, etc., you consider that group's needs when redesigning your Web site.

THE ITERATIVE PROCESS OF OPTIMIZING A WEB SITE

As mentioned in the opening of this paper, Web site design is an iterative process. It's never really "done," because there is always room for improvement. (At least that's what your boss will say.) Web analytics tools will help you seek out those areas for improvement, but you need to know what to look for. By keeping an eye on your KPI, you'll begin to notice data outliers-anomalies, such as abnormally low conversion rates, drops in average order size, etc. Best practices dictate setting up alerts to inform the decision makers when data deviates from the trend. It's also important to look for redesigned pages or site sections that are underperforming by looking at the top exit pages, or top pages viewed in single-page-view sessions.

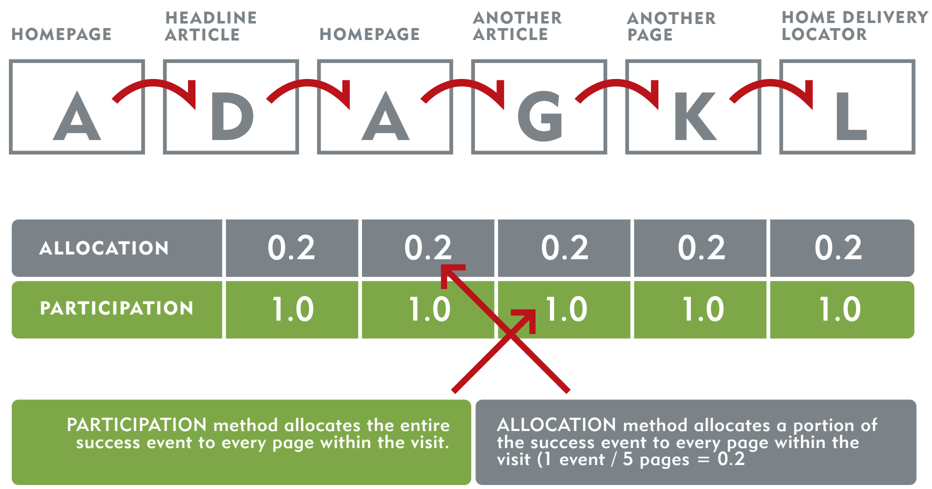

FIGURE 5: PARTICIPATION VS. ALLOCATION
Sample visitor path prior to Home Delivery Subscription

ALLOCATION & PARTICIPATION

Unique to SiteCatalyst is the concept of Allocation and Participation, which credits each page viewed during a session that ends in a conversion. This is a proven technique for determining the value of each page or section within a Web site. In the Participation method, each page viewed during the course of a "successful session" receives equal credit, while in the Allocation method, a single success event is divided evenly between each page viewed in that session. Figure 5 shows how it would work for a publisher, whose objective is to get customers to sign on for home delivery.

ASK YOUR CUSTOMERS WHAT *THEY WANT*

There are myriad ways in which to tweak a Web site to make it more persuasive. Common practices include experimenting with different navigational elements, pricing, or color schemes. But what is truly important is being able to see beyond the activity and determine what the motive is that drove that action. To avoid the danger of making incorrect inferences based on your own opinions (a.k.a. "the focus group of one"), try asking your customers. Surveys are an inexpensive and effective way to get to the root of what's right and what's wrong with your site. Try intercepting customers as they bail out of the purchase process and ask why. Send a follow up e-mail to those who removed an item from their cart and ask if they found a lower price on it elsewhere, if they ordered by telephone, or if they just aren't ready to buy yet. You'll be surprised how willing customers are to tell you what they think.

There are many companies who specialize in collecting customer opinion and verbatim responses and formatting the data to illuminate the key takeaways. Companies like Shopzilla (f.k.a. BizRate), and OpinionLab can provide valuable insight, especially during and after a redesign. Some marketers believe that it's unlikely that customers will take the time to fill out a lengthy survey without some type of reward. While this is true when you're asking customers to complete a long (more than ten questions) survey, common sense dictates that shorter surveys will be more accurate, due to the limited attention span of today's Netizen. Also, non-incentivized customers have a greater likelihood to provide honest, frank answers than customers who may tell you what they think you want to hear to claim a prize (Forrester Research 2004).

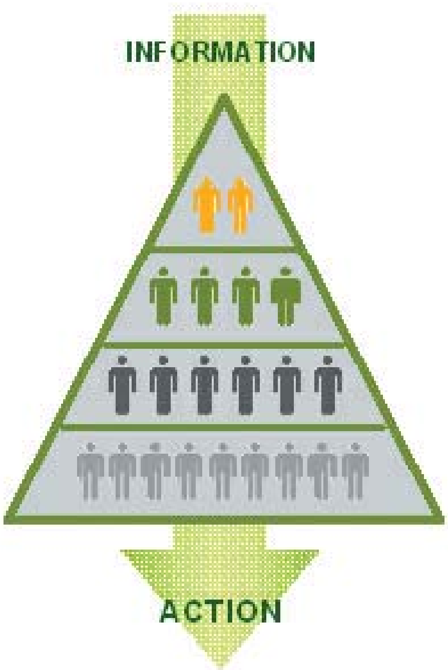

FIGURE 6: SHARE THE INFORMATION

KEEP NO SECRETS

Most importantly, share data throughout the organization. We like to refer to the "Democratization of Data," which ensures that all those who need to know, do know what is happening. SiteCatalyst offers multiple methods of data-sharing, including dashboards, bookmarked reports, e-mail delivery, and Direct Access, which adds a link to key reports directly to a user's "Start" menu. How you share data with others in your organization is an individual choice (for an example, see Figure 6), but don't become part of the estimated 70 percent of companies that don't deliver crucial Web analytics data to key executives.

SUMMARY

Building a Web site with a strong Persuasion Architecture takes time, money, focus, and organizational commitment. But the results speak for themselves in improved KPI, stronger customer loyalty, and enterprise-wide visibility to what's working and what's not. Web analytics is an important tool in making your site as persuasive as possible, but Web analytics must be applied with specific goals and a measurement strategy. For maximum success, give those in charge of Web analytics a glimpse of the big picture. Explain what each change to the site is designed to improve and think through what other areas of the site may experience a correlated reaction. Persuasion Architecture is a race without a finish line, but through constant application of Best Practices and a desire to improve user experience, it is an attainable and creditable concept.

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