

User Experience, Web Design & CRO

Session 6

Data driven design: CRO (Conversion Rate Optimization)



Contents:

1. From User Centered Design to Conversion Centered Design: persuasion Design
2. Sales Funnels and Conversion Rates
3. Definition of CRO (Conversion Rate Optimization)
4. CRO accelerators: Brand halo, Offer, SEO & Content Marketing and technical performance

Session 6

Data driven design: CRO (Conversion Rate Optimization)

Short readings

Session 6 – Data driven design: CRO and eCommerce

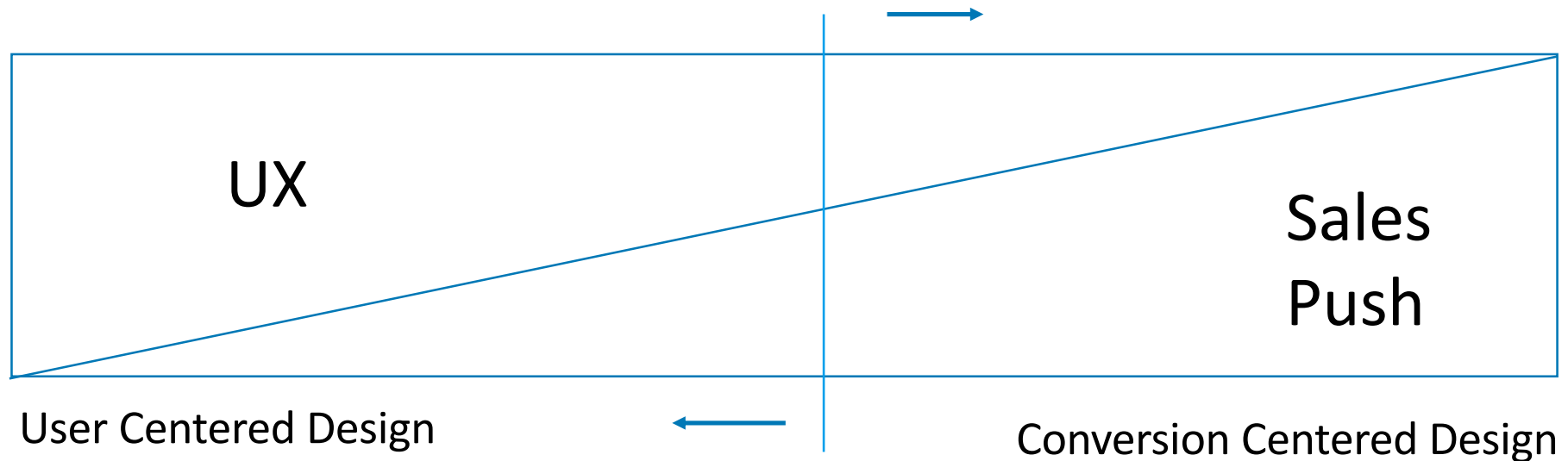
Other complementary readings are reflected in each slide of the session.

1. What is CRO (Conversion Rate Optimization)?. Forbes.
<https://www.forbes.com/sites/joshsteimle/2015/07/14/what-is-conversion-rate-optimization/#14f0798c6a0f>
2. Shaming users to convert, good or bad practice?. Nielsen & Norman Group.
<https://www.nngroup.com/articles/shaming-users/>
<https://www.nngroup.com/videos/shame-users-to-convert/>
3. The Attention Economy. Nielsen & Norman Group.
<https://www.nngroup.com/articles/attention-economy/>

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From user centric to conversion centric DESIGN



Examples of bad conversion practices

Reading: <https://www.nngroup.com/articles/shaming-users/>

Video: <https://www.nngroup.com/videos/shame-users-to-convert/>

UX and CRO hand in hand (reading): <https://icons8.com/articles/ux-cro-for-effective-content-strategy/>

Human Centered Design principles (already seen in Session 3)

- Clear page goals: Identify the clear goal of the page. More than one goal creates more complexity and risk of negative user experience. The first visual impact must show a clear value proposition.
- Hierarchy of messages: clear Information Architecture, prioritized based on size, contrast, colour, proximity, alignment and repetition
- Scalability: the Design solution has to be scalable, if we add more products to the site or app the design may work seamlessly
- Coherence: in the way we use resources and visual keys (buttons, links, text, icons, images, etc...), reducing friction
- Simplicity: by removing visual noise, superfluous text, shades, 3d volumes, etc...
- Communicate the competitive and differential value: not only descriptive messages... from “save 100€” to “have a memorable dinner with our partner”
- Navigation paths (fluidity): Clear CTAs (Call to Action), both primary and secondary CTAs. Give clear orientation to the user on where he is and where he is going (for instance “step 1 of 5” in a registration process)
- Be direct: clear and direct messages aligned with the page goals (avoid excess of information)
- Try to anticipate to the user behaviour: this is related to personalization. Understanding the user context and goals allows to prioritize actions. Based on “Customer life-cycle” or “Customer Journey”, for instance a customer with an open incident will not be willing to accept an up-sell offer so don’t prioritize those CTAs versus solving / informing about the incidence, or give the user information on form-fields validation before sending the form info to the server.
- Provide confidence to the users: in key moments of the truth (providing personal info, payment info, providing confirmation in every step of the registration or purchase process, sending a confirmation email or Text once the orders has been received,...

Conversion Centered Design: basic principles

- **Context of user**: Keep coherence with the expectation created during the navigation. *“the user’s click was worthwhile”*. Ex.: Click on Brand keyword leading to a product detail page
- **Navigation Path**: Guide the user towards the next click (micro conversions)
- **Clear page goal** and only one goal if possible
- **Minimize the number of “clickable” elements** to increase the selection ratio. William E. Hicks Law (1951) – The time it takes to make a decision increases with the number and complexity of choices.
- **Clear primary CTA** (Call to Action): Paul Fitts Law (1954): " The time to acquire a target is a function of the distance to and size of the target"
- **Forms**: minimize the number of fields. Include tool-tips and input validation per field
- **Give trust**: Brand at prominent level, visible contact phone, FAQs, product reviews, team biographies, ...
- **Use persuasion techniques**: promotions and tricks to transmit “sense of urgency”

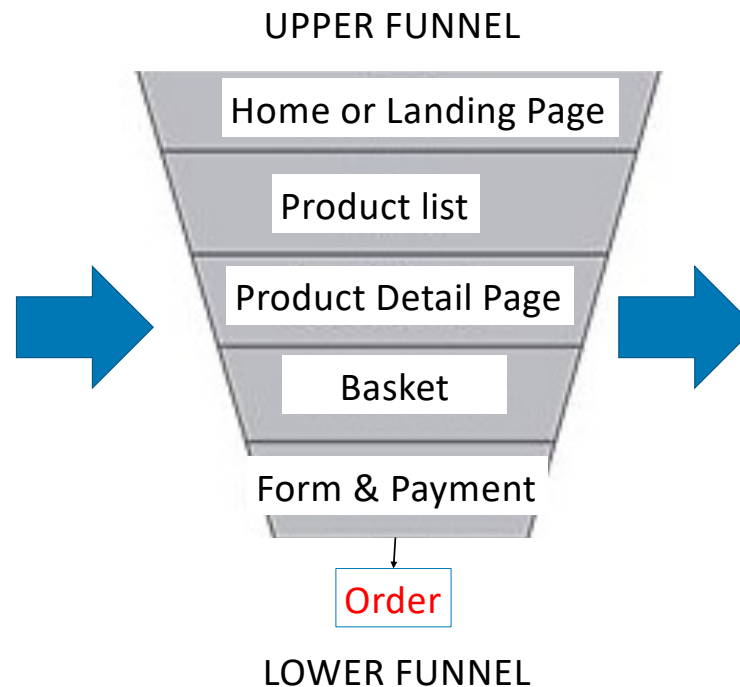
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Sales Funnel and Conversion Rates

The Sales Funnel Links Analytics KPIs with Business KPIs via Conversion Rates: number of Success versus Intents (Success/Intents)

- Clicks
- Visits
- Fans & Followers
- Bounce rate
- Abandon rate
- Unique visitors



- Revenues
- EBITDA
- Cash-Flow
- Inventory turnover
- NPS

Conversion Rates

Given a user goal or task, a Conversion Rate is the **relation in percentage between success events** (sales, newsletter registration, bill download, login success, etc...) and the **number of Attempts** (total number of visits to that specific funnel or journey or task)

$$\text{CR (\%)} = \text{Success events} / \text{Attempts}$$

Video: Conversion Rates

<https://www.nngroup.com/videos/conversion-rate-and-ux/>

Conversion Rates

Only in sales journeys?

CRs are traditionally related to selling processes, but in reality CRs measure the process through which the user has to follow to achieve any type of goal (not only selling)

Two important points:

1. It requires to be analysed along with **Customer Journey / Maps** to understand the overall user Journey and if the user is a “Cold” or “Hot” Lead
2. It requires to be analysed via **“Microconversions”** understanding what motivates the user to move to the next “click”

(Hot Leads are usually more qualified Leads ready to convert after a nurturing process)

Video: Macro and Micro conversions:

<https://www.nngroup.com/videos/macro-microconversions-metrics-analytics/>

Reading: average Conversion Rates and other metrics:

<https://blog.hubspot.com/agency/google-adwords-benchmark-data>

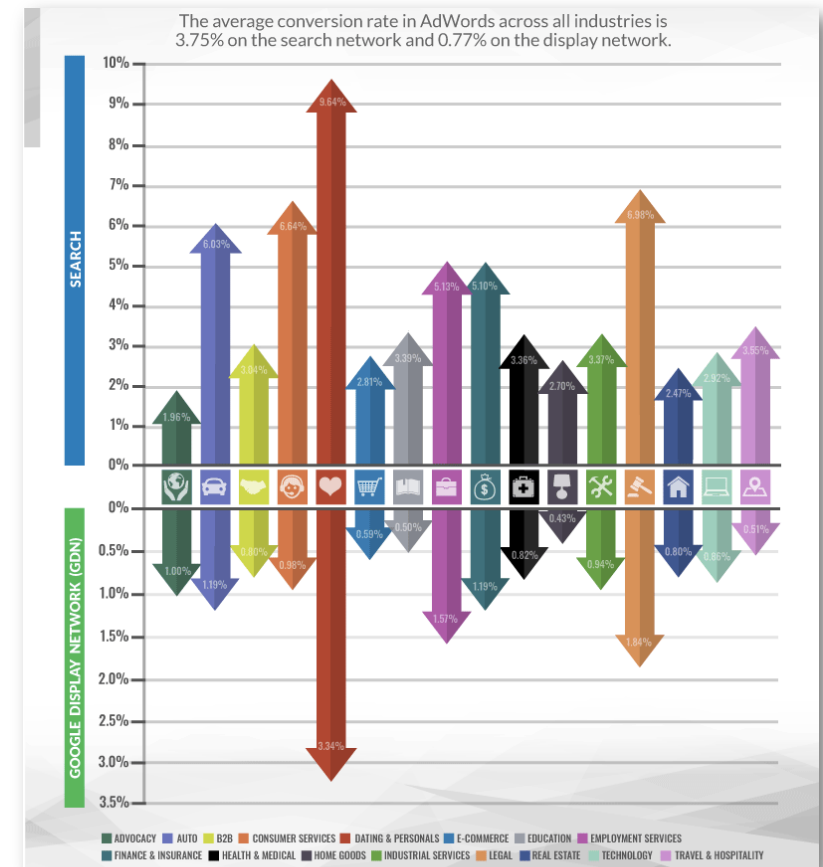
Average conversions per Device and Industry

Conversion rates **depends on**:

- Offer (price, promotions, discounts, ...)
- Industry (retail CRs versus travel)
- Traffic Channel (SEO, SEM, Facebook, Direct, ...)
- Depend on point of measurement in funnel

		Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
US	Tablet	3.7%	3.3%	3.4%	3.1%	3.2%
US	Mobile Phone	2.4%	2.1%	2.2%	2.1%	2.3%
US	Desktop	4.4%	3.2%	3.3%	3.4%	3.8%
GB	Tablet	4.8%	5.4%	5.2%	5.1%	4.6%
GB	Mobile Phone	3.7%	3.9%	3.6%	3.5%	3.5%
GB	Desktop	5.1%	6.8%	6.7%	6.4%	5.6%
EMEA	Tablet	3.0%	2.9%	2.9%	2.9%	2.5%
EMEA	Mobile Phone	1.7%	1.7%	1.6%	1.5%	1.5%
EMEA	Desktop	3.4%	3.1%	3.3%	2.9%	2.5%
Other	Tablet	1.8%	1.3%	1.5%	1.4%	1.5%
Other	Mobile Phone	1.4%	1.2%	1.2%	1.1%	1.1%
Other	Desktop	2.6%	2.4%	2.5%	2.4%	2.6%

Reading: Average Conversion Ration per Device and Region
Source.: Kibo eCommerce Quarterly. EQ, Q1 2021



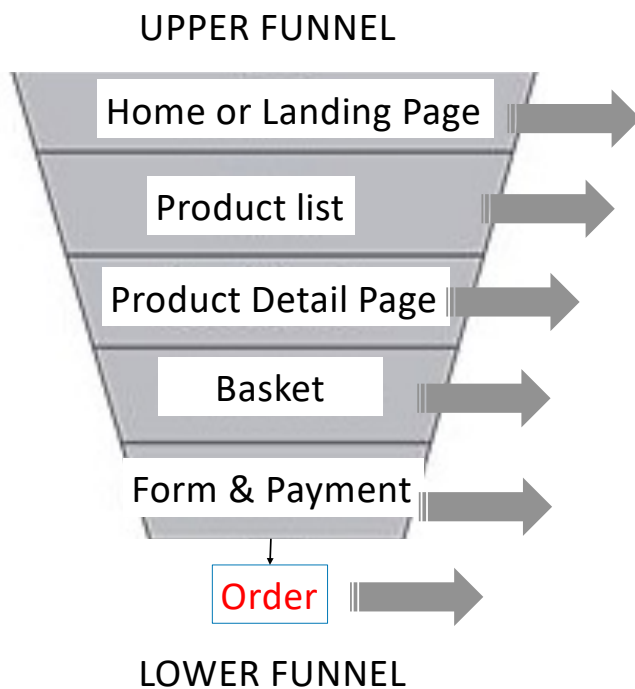
Conversion Rates per Channel Traffic (Google SEM y Display)
Source.: Wordstream 2018 (no later data available)

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CRO – Conversion Rate Optimization

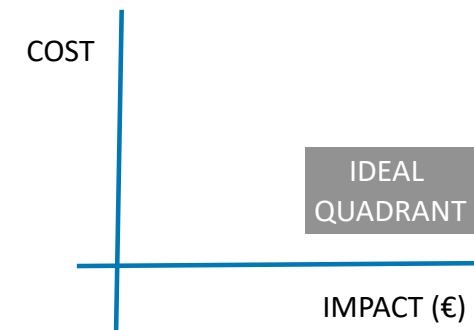
1- Analyse traffic leakages



2- Identify mitigation actions



3- Prioritize actions



How to prioritize actions:

$$\text{SALES (Revenue)} = T \times CR \times AOV$$

T: Traffic

CR: Conversion Rate

AOV: Average Order Value

And considering the cost of attracting Traffic

Focus on analysis and prioritization of behavioural DATA and financial DATA

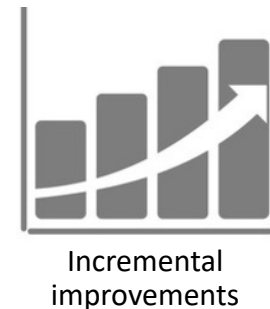
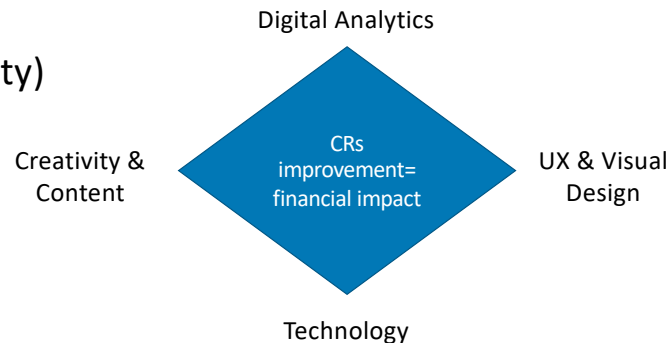
CRO – Definition

Methodology and techniques to increase Funnel Conversion Rates

Convert VISITS into ORDERS

- Focus on **incremental**, continuous improvement not on big redesigns
- Requires strong **attention to detail**
- Means to persuade the user to make **one and “only one”** thing in the Digital Product (less is more)
- Requires **different disciplines**:

- Marketing (Product)
- UX & DESIGN (Persuasion and security)
- Creativity (attractive design)
- Digital Analytics (DATA analysis)
- Technology (performance)

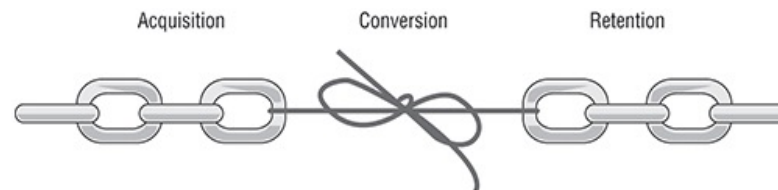
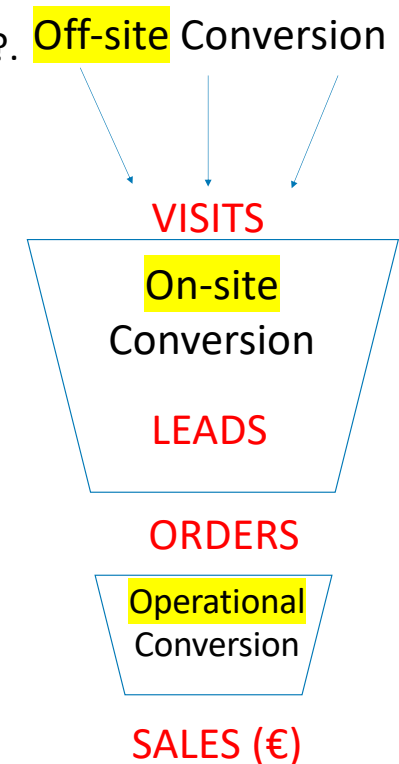


- Requires a **well defined organization** with resource dedication and shared goals

CRO – Definition: Action Areas

Three main CRO Action Areas:

1. **Off-site Conversion (UPPER FUNNEL)**: What is the communication strategy?. Channel traffic analysis. What type of traffic do I need to attract to the site?, what is the most profitable?
2. **On-site Conversion on-site (MIDDLE FUNNEL)**: What is my UX&Design strategy?, are the navigation paths optimized for Conversion?, how do I convert visits into Leads and Orders?
3. **Operational Conversion (LOWER FUNNEL)**: How do I convert my orders into Sales?, is my logistic optimized, do I minimize returns?, how is my fraud and credit scoring ratios versus my competitors?



Source: Landing Page Optimization: The Definitive Guide to Testing and Tuning for Conversions. Wiley Publishers. 2012. Tim Ash

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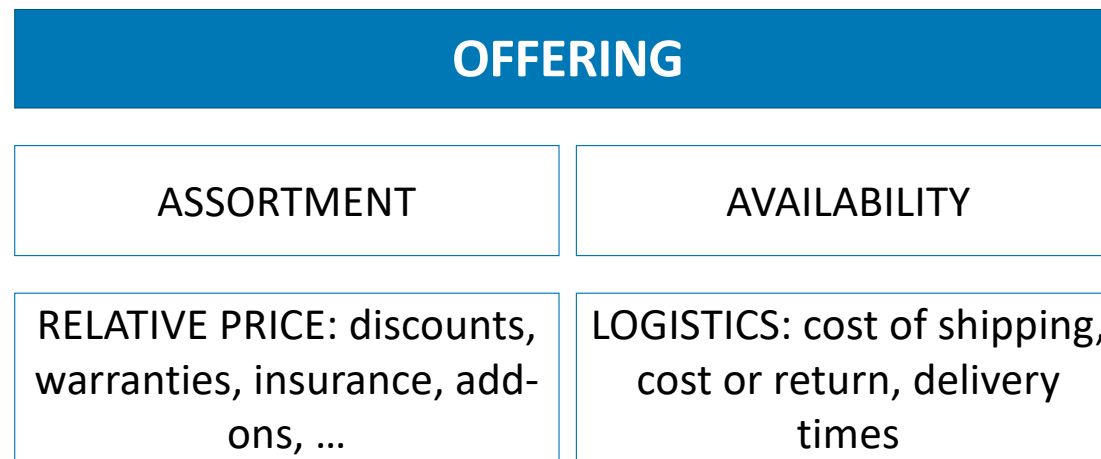
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CRO accelerators x4

1. Offer
2. Brand Halo impact in conversion
3. SEO and Content Marketing
4. Technical performance

1 – Offer: price + overall competitive position of the sale

Offering: **competitive price** (related to my competitors) + **other benefits** such as delivery time, cost of shipping and returns, warranties, insurance, add-ons, availability of range of products, ...



2 – Brand halo impact in conversion (1/2)

Brand halo helps users to make shopping decisions faster

*“Brands are a **“shortcut” in the decision making process**, the more brand strength the shorter period of time to make a purchase decision”*

(Tim Ash)

About Tim Ash: **Tim Ash** is an acknowledged authority on evolutionary psychology and digital marketing

<https://timash.com/>

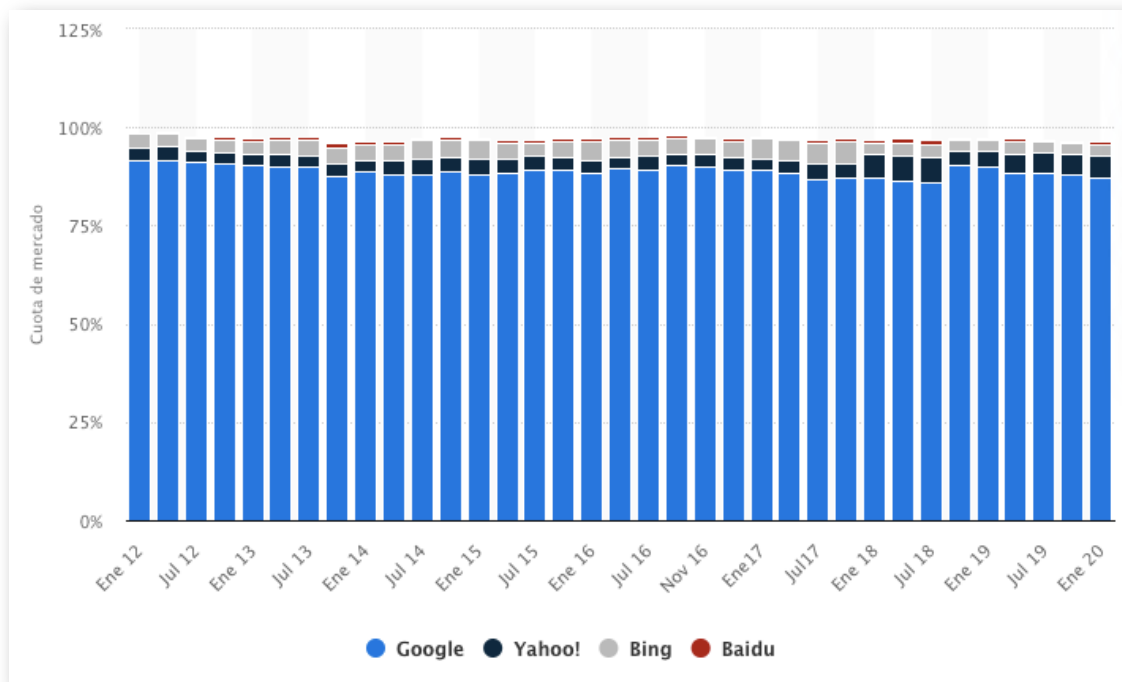
2 – Brand halo impact in conversion (2/2)

Conversion is dependent on the ability of Brands to gain the attention of users (“mind-share”)

Users have less and less attention span because they are less and less interested in Brands, besides there is an excess of information from Brands (infoxication)

The Attention Economy. Nielsen & Norman Group.: <https://www.nngroup.com/articles/attention-economy/>

3 – SEO and Content Marketing (1/2)



Cuota de Mercado de Buscadores globalmente

Fuente: Statista

- Google dominates in EU
- Google **prioritize original content and user engagement** (UX) versus old SEO practices such as link-building and keyword density
- **Brands have to produce content** with focus on the first steps of the conversion funnel (Awareness and Consideration)
- Brands are becoming “**publishers**”

3 – SEO and Content Marketing (2/2)

Content Marketing

The main goal is **attract the most qualified traffic possible**

Many brands are already investing more on content generation than in ATL (i.e.: Coca Cola)

(ATL: above the line communication (TV, billboards, sponsorships, etc...))

Trends:

- a) **Automate content creation** process (based on user data / profiling): CMSs
- b) Get **user data to confirm the performance of the content** (traffic → conversion → Revenue)
- c) **86% of brands have Content Marketing programs** but only 21% are satisfied with ROI
- d) **Multimedia content help to convert**: videos, images, infographics, etc...
(+50% of users share video of products and brands, +96% CTR in landing pages)

Source: iProspect y Getresponse

4 – Technical performance (1/2)

- Every additional load time second → +8% abandon rate in shopping journey (Source: Akamai)
- Every load time second improved → +2% Conversion Rate (Source: Akamai)
- 60% of web weight are images and videos, which are fundamental in the conversion rate process
- In mobile the recommended load time is 3 seconds, in web 4 seconds
- On average 70-80% of visits are from mobile, Brands are developing RWDs (Responsive Web Design) with focus on load times

Reading: “What is a Responsive Web?”

https://www.w3schools.com/html/html_responsive.asp

4 – Technical performance (2/2)

Web and App Front-end layer: a very important piece in conversion

- User Experience
- Brand consistency: visual design
- Friendly SEO
- Performance (web load time)
- Digital Analytics and optimisation tools
- Content reusability
- Accessibility



Practice: Play with Disable HTML Chrome plugin – HTML, CSS, JS

Practice: same web with different CSS. Zen Garden: <http://www.csszengarden.com/>

Key Takeaways from Session 6

1. The levers for Conversion Centred Design are different from the ones for Human Centred Design, and are based on persuasion
2. Funnels are the translators of traffic KPIs into Financial results. Conversion Rates are the essential KPI to monitor the Funnels
3. CRO is a DATA DRIVEN methodology and techniques to increase Funnel Conversion Rates
4. CRO x3 Steps: Analyse traffic leakages, Identify actions and prioritized actions
5. CRO requires of specific Design practices to accelerate the user conversion
6. There are CRO x4 accelerators: Offer, Brand Halo, SEO and Content Marketing and Technical performance. They influence the CRO process but they are not part of the process.