



Econsultancy

Conversion Rate Optimization Report 2017

In association with
RedEye

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1. EXECUTIVE SUMMARY AND HIGHLIGHTS

This is Econsultancy's ninth **Conversion Rate Optimization (CRO) Report**, published in association with **RedEye**.

The research, based on an online survey of more than 800 digital marketers and ecommerce professionals, looks at the types of conversion strategies and tactics organizations are using, in addition to the tools and processes employed for improving conversion rates. As well as touching on the use and impact of personalization, the research covers different areas of best practice and identifies methods and techniques which are most valuable for improving conversion rates.

The aim is to provide data and a framework to help companies invest their time and resources as effectively as possible, by examining which methods and processes are most likely to yield results.

The six key factors contributing to CRO success

The research revealed the following **key factors** contributing to improvement in and increased satisfaction with conversion rates:

- Companies using nine or more different methods are most likely to see improvements in and increased satisfaction with conversion rates.
- The more complex the testing, the more likely companies are to see improvements in conversion rates. However, regardless of the level of complexity, improvements are more likely if tests are run frequently.
- The optimal number of A/B or multivariate tests is between three and five each month.
- 82% of companies with a structured approach have seen improvements in conversion rates, while the same figure for those without a structured approach is just 64%.
- Improvements in and satisfaction with conversion rates are more likely to be seen when responsibility for CRO sits within the analytics/business intelligence or ecommerce functions.
- Having at least one person responsible for CRO is more likely to result in improvements in and satisfaction with conversion rates.

Importance of CRO is widely acknowledged, fueled by a need for continued improvements

Although the vast majority of marketers still perceive CRO to be important to their marketing strategies, fewer see it as 'crucial' (down by five percentage points since last year and lowest proportion recorded since our inaugural survey in 2009). As a mature discipline that has resulted in annual improvements in conversion rates for more than 65% of marketers since 2009, its priority over and above newly emerging channels and disciplines that are more likely to enthuse marketing teams may be hard to maintain.

However, this research shows that more marketers are dissatisfied with their conversion rates than satisfied, despite the year-on-year improvements. Continual improvements can sometimes lead to complacency, so it is encouraging to see that, despite a downward trend, 50% still see CRO as crucial to their strategies, and that marketers are not yet satisfied with their conversion rates, driving the need for continued improvements. This is supported by the fact that more than half of companies surveyed plan to increase their CRO budgets over the next year.

Complex testing continues to be the preserve of the few

A/B testing is the most commonly used CRO method, and is also perceived to be the most valuable. The proportion of marketers rating it as 'highly valuable' has increased by an encouraging 12 percentage points since 2016, up to 72% this year. This value is likely due in part to its ease of implementation.

There has been an increase in the frequency of testing this year, with the proportion of those running at least two tests each month increasing by 6%. Encouragingly, there's been a significant rise (+36%) in the proportion of those carrying out between six and ten tests.

Though the basics of testing are evidently in place in the majority of companies, testing at a more complex level is not yet mainstream.

The proportion of companies running complex tests (e.g. changes to multiple components on multiple pages) frequently or occasionally has only marginally increased since last year (up from 41% to 42%), while highly complex tests (e.g. complete design and journey changes) are used by fewer organizations (down from 27% to 26%).

The frequency of testing reduces with the complexity of the test; only 6% of companies are frequently carrying out highly complex tests, compared to 45% carrying out simple tests. A regular testing schedule is an important part of CRO strategies, and areas of improvement in complexity and regularity of testing are highlighted by this research.

Personalization challenges are preventing uptake

The CRO method least used but most planned is website personalization. While companies acknowledge the value that personalization provides, it is the most challenging of all the CRO methods when it comes to implementation: 35% said personalization was 'very difficult' to implement and only 19% said it was 'not difficult'.

With resources and budgets still the biggest barriers to successful CRO, website personalization is evidently missing out on the investment needed to make progress, and with its value behind a handful of other methods, the low-hanging fruit will continue to be prioritized and uptake likely to plateau.

The stagnating uptake in personalization is evidenced by the lack of change since 2014 in the proportion of marketers carrying out any form of personalization in their marketing. Despite an initial rise, this year the proportion has returned to the 2014 level of 62%.

This research points towards the need to prioritize strategy around data collection; just over half of respondents have a strategy for collecting online and offline data that can then be used for personalization. Organized data is key for success in this discipline, and is the starting block on which to build an effective personalization program. However, good data relies on skills and resource, which is another factor adding to the incremental difficulty of implementation. With more than half of companies planning on using website personalization for CRO, data collection will need to be a priority if they are to succeed.



Responsibility for CRO is shared, requiring a structured approach

The extensive scope of CRO in terms of methods and channels involved means that responsibility for optimization can be shared among many individuals, teams and even departments, and this scope is increasing as digital marketing diversifies. In 2009, companies were likely to have one person filling this role, but CRO is now more likely to fall within the remit of a number of people rather than an individual.

Alongside this trend has come a reduction in incentivization based purely on increasing conversion rates. Compensation based on something as dynamic and multifaceted as CRO is very difficult to manage successfully, particularly when the definition of 'good' is so debatable. The vast majority of companies don't incentivize in this way, and the proportion of those responding as such has increased by five percentage points since 2009.

Being a discipline involving multiple individuals and functions within a company brings with it additional challenges. Conflicts of interest between different departments and siloed organizations are two of the biggest barriers preventing companies from improving their conversion rates, second only to the ever-present barriers of resources and budget.

This emphasizes the complex and diverse nature of CRO, and highlights the need to continue working towards a structured approach to optimization, ensuring that the foundations of data and skills are in place, and senior support for testing and iterative changes is secured. Those who do so will reap the rewards: top-performing companies (defined as those whose conversion rates improved over the last 12 months *and* who are satisfied with their conversion rates) are more than three times as likely as the mainstream to have a structured approach to improving conversion rates.



1.1. Methodology

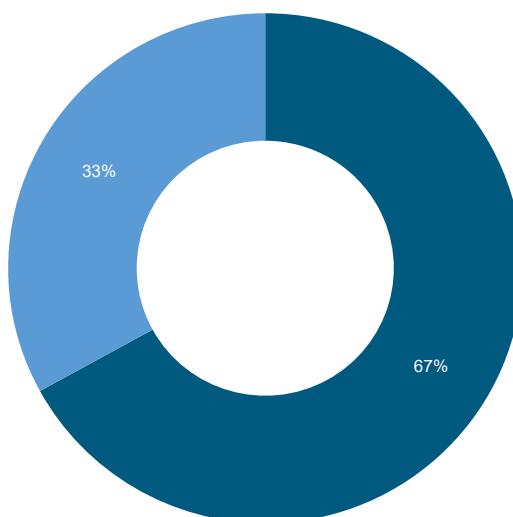
This is Econsultancy's ninth **Conversion Rate Optimization Report** carried out in association with RedEye. There were more than 800 respondents to our research request, which took the form of an online survey fielded between August and September 2017.

Information about the survey, including the link, was emailed to Econsultancy's user base and promoted online via Twitter and other channels. The incentive for taking part was access to a free copy of this report just before its publication on the Econsultancy website.

Just over two-thirds (67%) of survey respondents work for client-side organizations who are trying to improve their conversion rates, while 33% work for agencies, vendors or specialist consultancies. For a more detailed profiling of respondents, see *Section 9*.

If you have any questions about the research, please email Econsultancy's Head of Commercial Research Services, Monica Savut (monica.savut@econsultancy.com).

Figure 1: Which of the following most accurately describes your job role?



- Part of an organization which wants to improve its conversion rates (client-side)
- Agency, vendor or consultant helping companies to improve conversion rates (supply-side)

Respondents: 806

2. INTRODUCTION BY REDEYE



Garry Lee
CEO, RedEye

Have we got complacent?

This is our ninth straight year of working with Econsultancy on the CRO report and for the first time I'm seeing results that tell me the industry is not growing in the way it has before. However, there are many encouraging aspects, with budgets growing and increasing levels of methods being utilized. This is extremely positive and convinces me that we're still working in an exciting sector that has so much further to go before we can consider ourselves truly 'mature'. Structure and responsibility jump out of the report, in a way we would hope to see. The results for those working on CRO in a structured way compared to those who are not are great, and when I see the amount of people that now have at least one person dedicated to the sector and the effect that has on their results, I'm greatly encouraged by that part of the evolution.

Immature model...

We have updated the maturity model for 2017, but we could easily have left in the 2015 or even the 2012 version and few would have noticed as the model has evolved very little. The intermediate level has improved, particularly in the number of tests they run and the methods used. Unfortunately, the expert level appears to be stagnating a little, whilst the foundation level is still as basic as it was five years ago. Why? I think I put this down to the success of CRO in the last five years and that it now feels like part of the furniture in digital marketing. Maybe people think we don't feel we need to innovate as we once did – I would strongly argue against this!

Improvement rates dropping for the first time on record is a concern, but the most worrying stat in the whole report is that those who consider CRO to be 'crucial' has dropped by 9%. I feel we have reached a point in the lifecycle of CRO where we aren't broadcasting as much positive CRO news – as I said above, it's often seen as 'part of the furniture' now and isn't the exciting new trend. This in turn reduces the buzz around CRO and its benefits, leading people to think we have less interest and need in this area. For me, that just means we need to be even more driven to push CRO harder and take it to the next level.

“

Maybe this should be the year we all reflect and tell ourselves to push harder, go again and really kick-start a second CRO revolution.



When will app testing really take off?

One example I have of this need to innovate and push harder is testing on apps. The report shows little increase over the three years we have been asking how many companies complete app testing. This is an area that has overtaken mobile websites in importance and the CRO report analysis tells us that those that do test on apps have better overall results. Maybe it's a lack of expertise, maybe the technology has been slower to catch up with needs or it's simply never driven a strong ROI. Whatever the reason, around 70% of ecommerce sites have an app, so it's time that they were tested more often.

More and more techniques are open to us

I'm delighted to see the uptake of different methods increasing. This shows we are still evolving and are excited by doing new things. In the last few years, lots of new and easier to access options have become available to CRO teams, which is great news. Last year's results indicated that if people used too many, too soon, it negatively affected results (shiny new tools!). But this year we are seeing the positive output of these endeavors with better results for the people using the most methods. I think for next year I will be asking Econsultancy to add more categories to the top end!

Is web personalization the next 'big data'?

I certainly hope it is going down the 'big data' route, which took a long time to finally become mainstream, but has been well worth the wait. For years I have been writing in the foreword of this report "this will be the year of web personalization". Well, no more! I think I'll tell you when it's 'been' the year of web personalization instead, which, I sincerely hope, is what I write next year. It continues to be at the lowest end of methods used, yet those that incorporate it into their overall strategy have the second-best results in the entire study. It is worth the effort, it does deliver results. I said earlier that resource was no longer the big issue it used to be, but maybe if we had just a little more resource we would have the time to dedicate to it. Good testing has data-driven decisions at the heart of it and web personalization is the area that requires the most integration of data and content. Maybe this is why it's struggling. It needs expertise from different areas. It is high time competing departments came together for the greater web personalization good...

Conclusion

So, it's a mixed year. As always in CRO, it's an industry that is growing, that has new players to invigorate things and plenty of smart people leading the fight. But maybe this should be the year we all reflect and tell ourselves to push harder, go again and really kick-start a second CRO revolution. This time next year, rather than talking again about people, structure and resource, let's be talking about how app testing has taken off, how it was finally the year of web personalization and how we are sharing more and more success stories.

3. CONVERSION MATURITY MODEL

The Conversion Maturity Model has been refreshed for this year's report to reflect the increasing complexity of the tools and techniques being utilized for conversion rate optimization.

The survey data was used to create natural segments of respondents with similar approaches to conversion.

Companies at the 'foundation' stage are covering the basics; running one or two simple tests a month using the most straightforward methods. Without any dedicated resource it is difficult to have a structured approach and to get changes implemented.

The 'intermediate' group know what best practice looks like and are striving to achieve it: a structured approach, multiple conversion personnel and running multiple tests per month, including

some complex tests. They will be adding more sophisticated techniques to their testing arsenal, including segmentation, website personalization or usability testing (although not yet combining all three).

Businesses in the 'expert' segment are constantly pushing for improvements, not satisfied with what has already been achieved. They have already picked off the 'quick wins' and are unafraid to run increasingly complex tests on a regular basis to stay ahead of the competition. They are combining usability testing and segmentation with the easier testing methods and have a number of areas of website personalization under their belt.

This roadmap will allow companies to identify where they currently are on their conversion rate optimization journey and recognize key areas of focus in order to improve their current practices.

	Foundation	Intermediate	Expert
Structure	Not using a structured approach to improving conversion	Using a structured approach to improving conversion	Using a structured approach to improving conversion
Resource	No individuals solely responsible for conversion	One or more people responsible for conversion	One or more people responsible for conversion
Testing approach	Running 1-2 tests per month	Running 3+ tests per month	Running 3+ tests per month
	Focused on running simple tests	Occasional running of complex tests	Frequent running of complex tests
Areas of testing	Starting to test website copy and images	Testing website checkout process, navigation, promotions and search functionality	Testing website product selection process
Testing methods	Using a combination of up to 5 testing methods	Using a combination of 6-9 testing methods	Using a combination of 9+ testing methods
	Starting to use customer journey analysis and copy optimization	Starting to use usability testing, segmentation and website personalization	Using usability testing, segmentation and website personalization
Website personalization	Not personalizing website	Starting to personalize products browsed and customer account area of website	Personalizing products browsed and customer account area of website

4. IMPORTANCE, SATISFACTION AND IMPROVEMENTS

4.1. Importance of conversion rate optimization

Conversion rate optimization (CRO) has been on the to-do list of marketers ever since the ecommerce era began. A couple of decades ago, businesses only ever had to worry about local competition to their bricks-and-mortar stores. With the speed of ecommerce uptake and competition on a global scale ramping up, CRO has quickly become an integral part of a marketer's role.

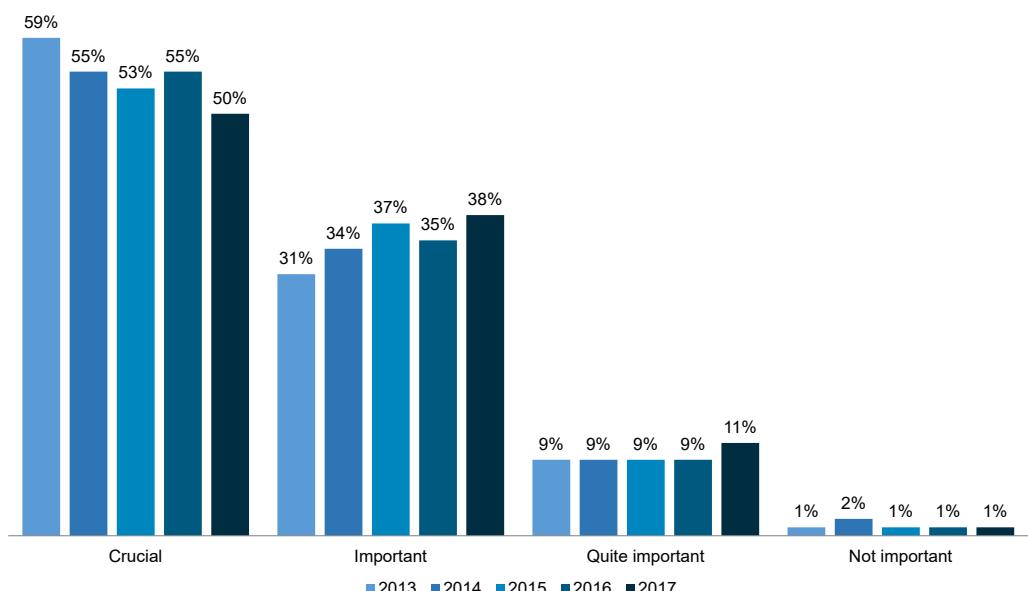
As was the case in previous years, around half of client-side marketers say that CRO is crucial to their overall digital marketing strategy, and only 1% claim it has no importance. However, *Figure 2* shows that the proportion of marketers seeing CRO as crucial has been on a downward trend since 2013, when we first asked this question. Although 50% still said it was crucial this year, this is down from 55% in

2016 and the lowest proportion recorded so far. As this report will show, capabilities around many aspects of CRO have steadily improved since 2013, and *Figure 2* could indicate that CRO, as a mature discipline, is becoming less of a priority or less front-of-mind for marketers as skills and results improve. However, success can breed complacency and it will be interesting to see if, over the coming years, the dip in perceived importance results in a subsequent reduction in conversion rate satisfaction.

HALF OF MARKETERS
SAY CRO IS CRUCIAL TO
THEIR DIGITAL MARKETING
STRATEGY

Company respondents

Figure 2: How important is conversion rate optimization to your overall digital marketing strategy?



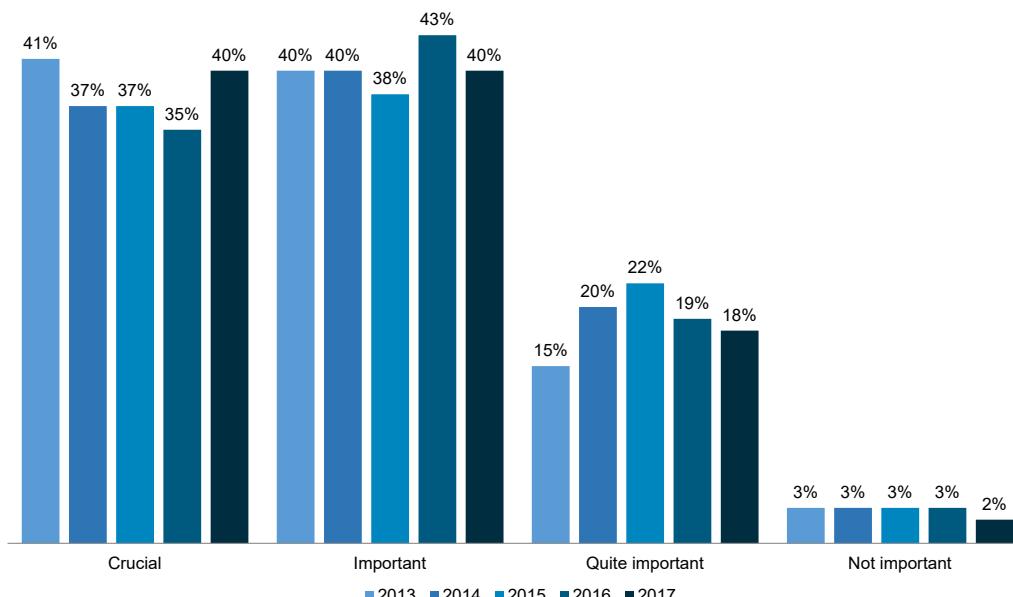
Respondents 2017: 481 | 2016: 474
2015: 488 | 2014: 554 | 2013: 450

A lower proportion of agencies see CRO as crucial to their clients' digital marketing strategies, though that has seen an increase to 40%, from 35% in 2016. This could be a factor of agencies often being utilized for the emerging disciplines for which companies don't have the in-house skill, and therefore not seeing established in-house CRO capabilities as *crucial* to the marketing strategies they are working on.

What is positive from both the client-side and agency response is that the majority have continued to acknowledge the importance of CRO over the past five years, with the proportion of those saying it is *not important* never above 3%.

Agency respondents

Figure 3: How important is conversion rate optimization to your clients' overall digital marketing strategy?



Respondents 2017: 226 | 2016: 268
2015: 285 | 2014: 374 | 2013: 376



WHAT THE EXPERTS SAY

"Ten years ago, we believed that eventually all companies would realize that CRO is crucial. This is turning out to be true but not in the way we expected. It's not that all companies eventually see the light; it's that the ones who don't get pushed out of existence, Darwin-style."

Ben Jesson, CEO of Conversion Rate Experts
and author of *Making Websites Win*

"There's been a small drop in the number of companies reporting conversion rate optimization as 'crucial' this year. But, looking at the absolute numbers, it's silly to talk about such a drop when 88% of businesses report it as either 'crucial' or 'important'."

Dan Barker, Independent Consultant



WHAT THE EXPERTS SAY

"Raising the profile of testing and optimization continues to be a challenge for companies small and large. Marketers are more and more encroaching on the traditional CRO practitioners space, making the case for a CRO team or person less attractive to senior management. Selling the benefit of CRO isn't the challenge; it is instead how to develop a culture in which everyone involved in the customer journey has a strong stake in creating a seamless experience. What's better than a happy customer and business growth? All people in a business are striving for the same end result, growth of some kind, yet the route is often paved in mystery, something which CRO continues to struggle to define in many businesses."

Depesh Mandalia, Founder and CEO, SM Commerce

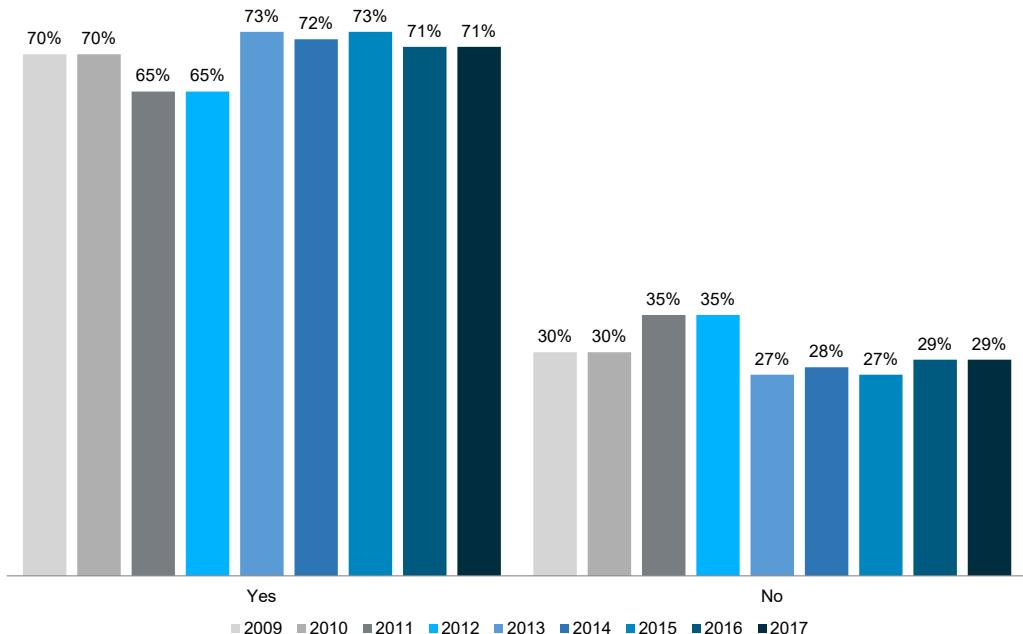
4.2. Improvement in online conversion rates in the last year

Figure 4 shows that the majority of respondents have improved their conversion rates each year since 2009. This has minimally impacted satisfaction levels, which suggests that marketers have high expectations of their conversion rates, despite the importance of CRO to marketing strategies dropping.

A higher proportion of agencies say that their clients' conversion rates have improved, providing an argument for seeking expert help with CRO, especially for those who are particularly unsatisfied with their conversion rates. Just over three-quarters (78%) of agencies have seen their clients' conversion rates improve over the last year, compared to 71% of companies, though this is the lowest result since our inaugural survey in 2009.

Company respondents

Figure 4: Have your online conversion rates improved over the last 12 months?



Respondents 2017: 483 | 2016: 486 | 2015: 502 | 2014: 563
2013: 458 | 2012: 446 | 2011: 340 | 2010: 352 | 2009: 331





WHAT THE EXPERTS SAY

“I’m not sure I actually believe the answer to this question. The majority of businesses have reported an increase in conversion every year for the last nine years. If you look at what’s changed in that period: competition has increased for almost every online business; ‘content’ has become important, bringing more users back to sites more times for ‘non-converting’ journeys and mobile has risen dramatically – a channel which tends to see more visits to websites over the same period for the same number of conversions. I’d say with all those factors it’s worth taking the answers here with a pinch of salt: if your conversion rate hasn’t increased every year for the last nine years I would not worry too much, the important thing is that you have the data to be able to understand where you currently stand, you have a structured program to improve your results, and you are moving toward being able to control your conversion rates more effectively.”

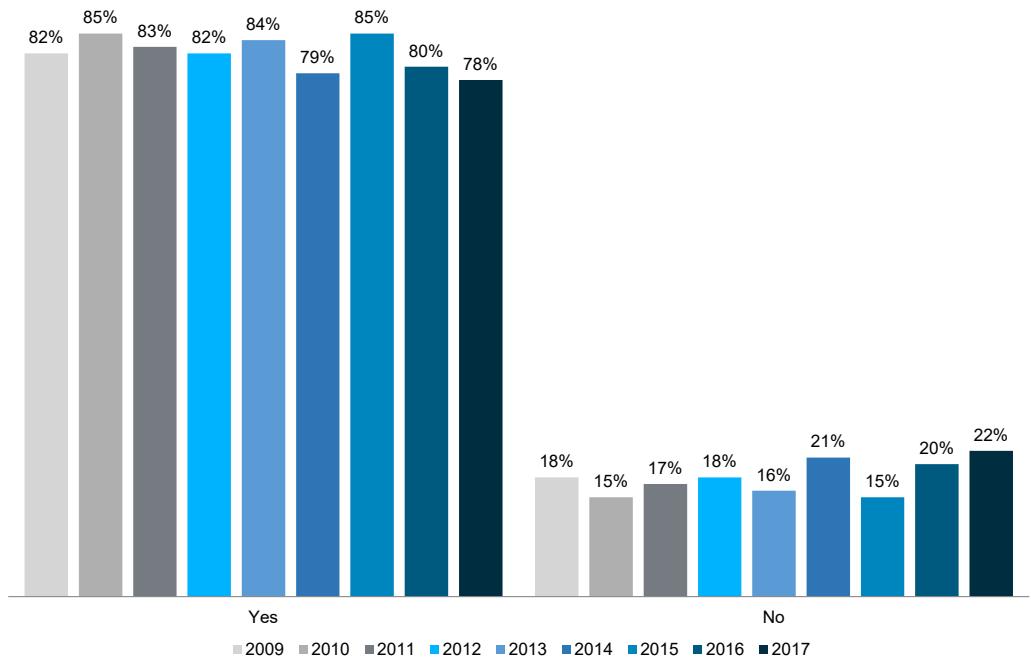
Dan Barker, Independent Consultant

“The web keeps getting better. Once again, most companies have seen an improvement in conversion. The average landing page is no longer like a badly translated user guide, the average checkout no longer like an escape room experience.”

Ben Jesson, CEO of Conversion Rate Experts
and author of *Making Websites Win*

Agency respondents

Figure 5: Typically, have your clients' online conversion rates improved over the last 12 months?



*Respondents 2017: 227 | 2016: 279 | 2015: 288 | 2014: 381
2013: 386 | 2012: 316 | 2011: 283 | 2010: 255 | 2009: 287*

When respondents were asked about the single most effective thing they or their clients had done to improve conversion rates, testing has emerged as a dominant theme (*Figure 6*). A/B testing in particular was highlighted as one of the most effective methods that help with conversion rate improvements, which is not surprising given how powerful and easy to implement it is.

Checkout optimization, customer journey analysis and segmentation, as well as copy optimization, are also regarded as very effective.

Figure 6: What has been the single most effective thing you (or your clients) have done to improve conversion rates?



SURVEY RESPONDENTS



What has been the single most effective thing you (or your clients) have done to improve conversion rates?

"A/B testing new journeys based on customer journey analysis or best practice assumptions (driven by opinion or competitor analysis / benchmarking)."

"Examining the customer journey and seeing what roadblocks customers experience in the checkout process."

"Raising the profile of optimization within the business. People need to understand the opportunities testing can generate."

"We have implemented an optimization strategy which aligns to the wider digital strategy, enabling us to focus our testing and personalization in the right area."

"Agile approaches to campaigns – no 'big bang'. Small releases, learn what works and what doesn't, do more of the stuff that works and ditch the stuff that doesn't."

"In-depth weekly analysis of each step in the conversion funnel, which enables the business to identify and resolve issues. Tests are focused on the lowest converting pages."

"Re-launching the entire journey utilizing inputs from UX, mobile-first, user-guided interface and feedback gained from customer insights."

"Reducing the number of clicks required to check out and implementing guest checkout options. Keeping it simple and quick means that the customer won't suffer from fatigue during the process."

"Create a full customer journey overview and use it to break down CRO efforts into stage-by-stage projects."

"Listening to your data – employing multiple sources to build a rounded picture of performance and acting on what you see."

"Taking the ideal journey to goal and analyzing where visitors are deviating from this, why this would be, and then making improvements and testing the difference."

"Understanding the elements that contribute towards a conversion, allowing our clients to act strategically rather than tactically fix individual elements."



WHAT THE EXPERTS SAY

“What’s refreshing to see is the increasing focus on optimizing entire journeys versus relying on tactical A/B tests. I believe more and more companies are realizing that looking at CRO holistically and investing to build a CRO process and team is important.”

Paras Chopra, CEO, VWO (Visual Website Optimizer)

“I love that some of the responses to the survey have mentioned a focus on more frequent, smaller tests rather than trying to develop a large test with big potential uplift. Often the learnings from tests on micro and macro conversions, such as improving the ratio of people that hit the cart from a product page, can result in further ideas and opportunities, instead of trying to influence the click-to-buy rate with a big change. In the past I’ve made bigger impacting changes to a product page by observing data from smaller tests – the learnings along the way were valuable in creating the bigger impact test.”

Depesh Mandalia, Founder and CEO, SM Commerce



4.3. Satisfaction with online conversion rates

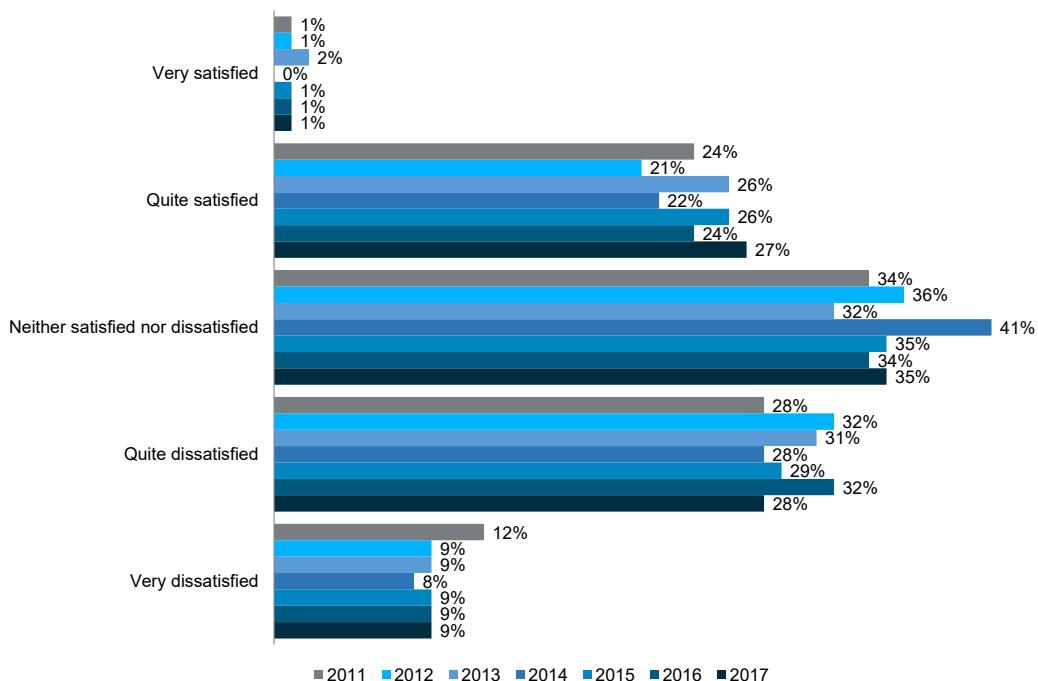
Satisfaction with conversion rates has increased minimally since 2011, despite rates improving (see *Figure 4*). Just over a quarter (28%, up from 25% in 2016) of company respondents are satisfied with their conversion rates, compared to 37% who are dissatisfied. This is positive in terms of maintaining the focus on CRO and continually driving towards improvements, though with the importance of CRO to overall strategies dropping (*Figure 2*), these satisfaction levels may decrease further in the future.

The agency view is quite different, with 45% claiming their clients are satisfied with their conversion rates. These companies are more likely to be receiving expert help and guidance around CRO from their agencies, so it is unsurprising that the ‘satisfied’ proportion is higher.

However, year on year, the proportion of agency clients who are dissatisfied with their conversion rates has increased, potentially explaining the increased emphasis agency clients are placing on CRO this year (see *Figure 3*).

Company respondents

Figure 7: How satisfied are you with your conversion rates?



Respondents 2017: 483 | 2016: 490 | 2015: 502
2014: 565 | 2013: 460 | 2012: 449 | 2011: 341

JUST OVER A QUARTER (28%) OF COMPANIES ARE SATISFIED WITH THEIR CONVERSION RATES



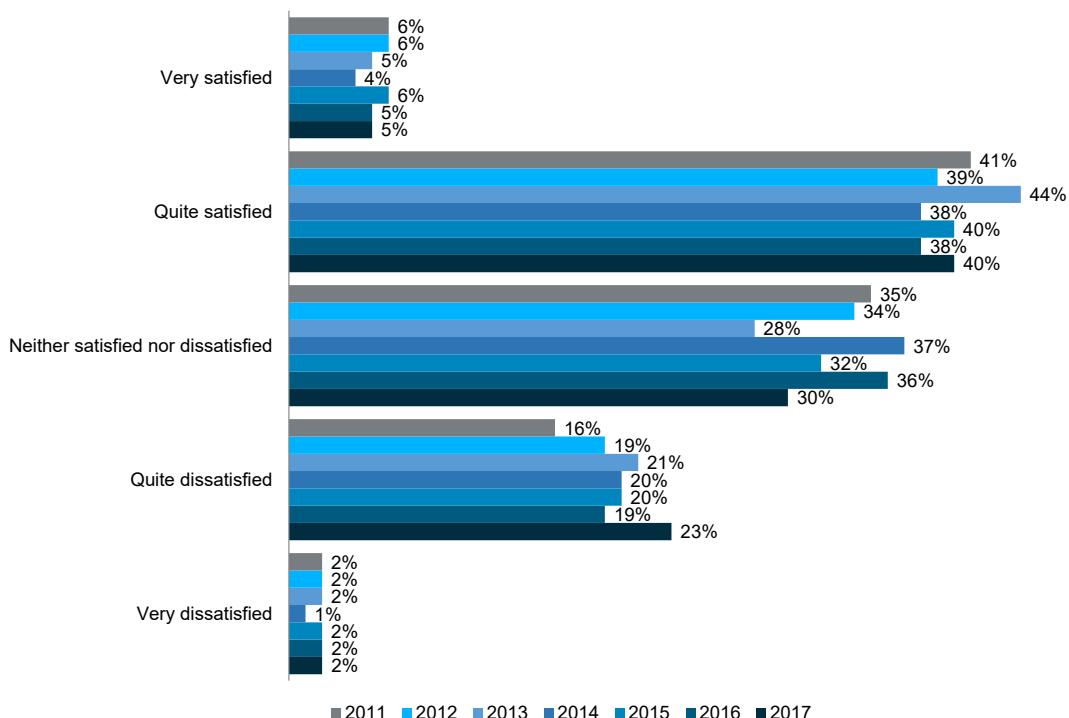
“ WHAT THE EXPERTS SAY

“The data in 2017 points towards somewhat of a plateau from previous years in terms of performance and satisfaction. Has CRO matured? Has competition made improvements even harder? Are websites so damn good now? The latter’s not true and neither do I think CRO has matured enough to be as mainstream as SEO for example. I’d argue SEO is better understood at a high level than CRO across most levels and teams.”

Depesh Mandalia, Founder and CEO, SM Commerce

Agency respondents

Figure 8: How satisfied are your clients with their conversion rates?



Respondents 2017: 228 | 2016: 281 | 2015: 289
2014: 381 | 2013: 388 | 2012: 317 | 2011: 282

5. TOOLS AND STRATEGIES

5.1. Methods currently used for improving conversion rates

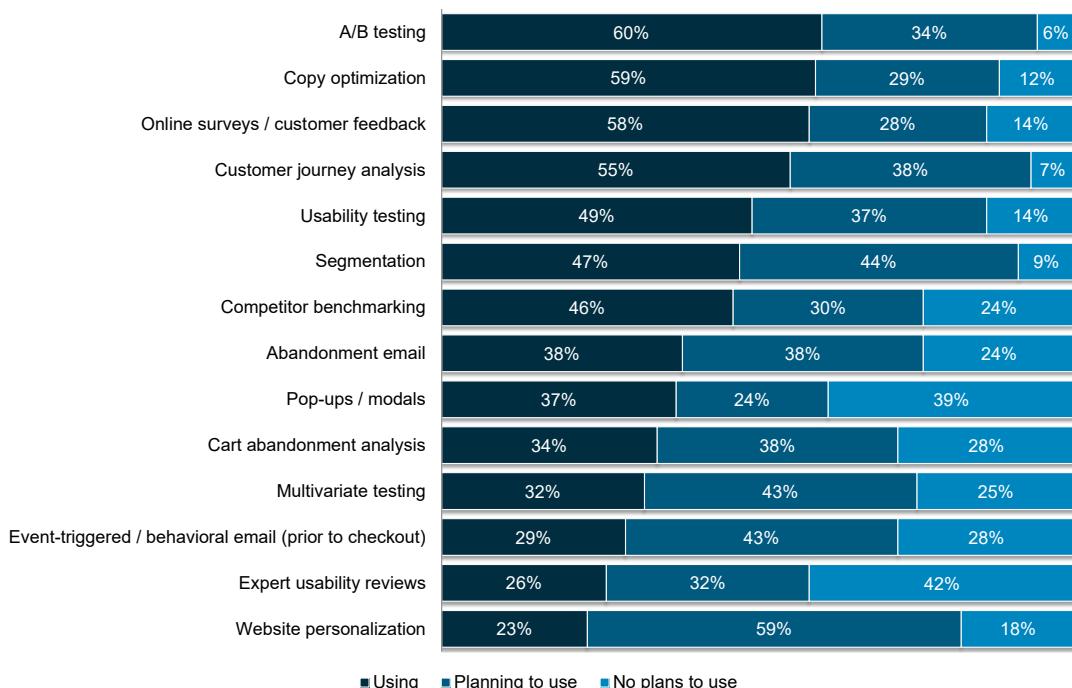
Choosing where to focus your conversion rate optimization efforts in order to maximize returns requires a clear understanding of your customers; stepping into their shoes and setting objectives around their path to purchase and the ways in which you can best optimize that.

Monitoring whether your site experience is up to the expectations of the users visiting can easily be achieved by looking at search, bounce referral and traffic data. Content and journeys can then be optimized based on this data to try to provide for each customer's needs.

Figure 9 shows the most common CRO methods, revealing *A/B testing* to be the most popular. The most basic form of split testing, *A/B testing* compares one version of a site element (e.g. a call to action button) with another to see which performs best. Being quick to implement and with almost infinitesimal tests possible, *A/B testing* can be a quick win for conversion rates and is often the starting point for marketers on a CRO journey.

Company respondents

Figure 9: Which of the following methods do you currently use to improve conversion rates?



Respondents: 424

Website personalization is the least used method (23%), but planned by the most (59%). Despite it also being planned by more than half of respondents last year, these plans evidently have not come to fruition, with the majority remaining in the planning stages. Personalization, discussed further in *Section 7*, remains a challenge to marketers but an area where improvements would almost certainly lead to a competitive advantage.

Further analysis of the data (*Table 1* overleaf) revealed that the vast majority (84%) of companies using both A/B testing and website personalization are seeing improvements in conversion rates. While this is still quite high, it's down from 87% in 2016, returning to the 2015 level.

Compared to last year, companies not using web personalization or A/B testing are less likely to see their conversion rates improve (56%, down from 62%).

“ WHAT THE EXPERTS SAY

“The ‘outlier’ here is really expert usability reviews. If you look later in the report, you’ll see usability is one of the easier higher value areas companies report being able to focus on. If you haven’t done so recently, getting your staff to review the usability of your site/app from a business perspective (i.e. focusing on business results, rather than simply usability) seems a simple way to nudge results positively without much time or resource.”

Dan Barker, Independent Consultant

“Usability testing is high on this list but deserves to be higher. It’s the technique that keeps on giving.”

Ben Jesson, CEO of Conversion Rate Experts
and author of *Making Websites Win*



Table 1: Use of website personalization and A/B testing versus improvements in conversion rates

	2015	2016	2017
Website personalization only	55%	60%	77%
A/B testing only	72%	71%	71%
Both	84%	87%	84%
Neither	36%	62%	56%

Table 2: Number of methods used versus performance and satisfaction

	Proportion of companies seeing improvements in conversion rates	Proportion of companies satisfied with conversion rates
1-2	38%	18%
3-5	71%	23%
6-8	77%	30%
9+	80%	44%

Collecting *customer feedback* is a relatively easy method to implement, used by 58% of respondents, and can provide a qualitative level of insight not possible from just looking at numbers. While it can help to identify the one or two unhappy but very important customers, it also provides a view on the psychological and emotional elements that drive consumer behavior.

The method planned by the fewest marketers is again *expert usability reviews*, which 42% have no plans to use (same proportion as last year). This method also appears low down on the priority list of agency clients; 36% have no plans to use it, second only to *pop-ups / modals* (40%). Interestingly, just under three-quarters of companies using *expert usability reviews* or *online surveys / customer feedback* (73% and 72% respectively) have seen improvements in conversion rates in the last year, compared to an average of 79% across companies using the other methods.

As was the case last year, the more methods companies use, the more likely they are to see improvements in conversion rates (*Table 2*).



WHAT THE EXPERTS SAY

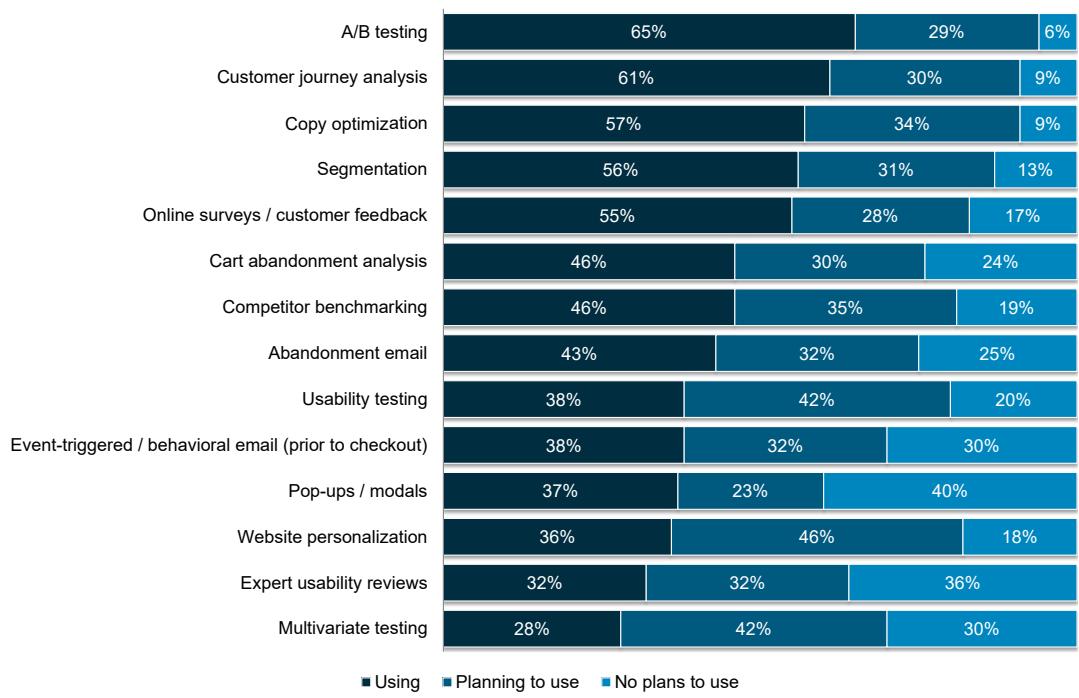
“Table 2 shows that the number of tools used for CRO is correlated with an increase in conversion rate. This indicates that CRO is a complex subject that requires multiple tools. This is good news for companies who have made investments into CRO because it means they will have a competitive edge compared to companies who believe just a few techniques will bear fruits for them.”

Paras Chopra, CEO, VWO
(Visual Website Optimizer)

One of the most obvious differences between client-side and agency results (Figure 10) is reported use of *cart abandonment analysis* – this method is used by nearly half (46%) of agency clients, but only a third (34%) of companies themselves claim to use it. This could mean that the method is recommended by agencies for CRO, resulting in its high use compared to *usability testing*, for example, which was selected by a surprisingly low number of agencies (38%, versus 49% of client-side marketers).

Agency respondents

Figure 10: Which of the following methods do your clients currently use to improve conversion rates?



Respondents: 188



5.2. Value of methods used for improving conversion rates

The majority (72%) of those surveyed find A/B testing 'highly valuable'; by far the most valuable method for improving conversion rates. This value likely comes from the ease of implementation in combination with the results, with value also more easily measurable in a simple test of two variables.

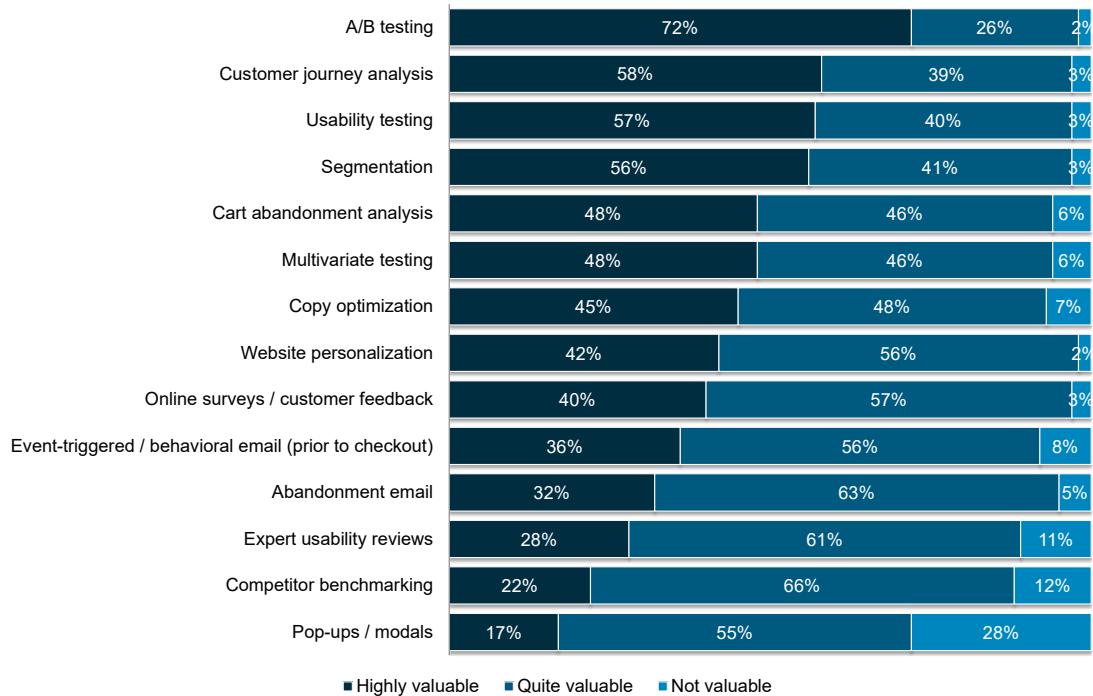
Despite 38% using abandonment emails for CRO and a further 38% having plans to use them (Figure 9), less than a third (32%) consider them to be highly valuable for improving conversion rates.

A/B testing and usability testing increased in perceived value for brands this year according to Figure 12. On the other hand, *website personalization*, which is typically difficult to implement with consistent success, has decreased in value. This could be a result of the challenges companies experience, with negative consumer perceptions of personalization on the rise as a result of bad practice and overzealous retargeting.

Although *competitor benchmarking* is perceived to be highly valuable by only 22% of companies surveyed, the vast majority (81%) of those using it have seen improvements in conversion rates in the last year. It's in shared second place with website personalization (also 81%), with the use of *multivariate testing* most likely to result in improvements (83%).

Company respondents

Figure 11: How valuable do you find the following methods for improving conversion rates?



Respondents: 177



WHAT THE EXPERTS SAY

"There's a big increase in the number of companies who are getting value from A/B testing. Companies are increasingly adopting methodologies for knowing what to test."

Ben Jesson, CEO of Conversion Rate Experts
and author of *Making Websites Win*

"Companies are transitioning from thinking of digital as an acquisition channel to it being the primary point of interaction with their customers as the usage of smartphones and connected devices continues to skyrocket. As this change takes place, applying a data-driven approach to improving the customer experience has never been more important. We can see this represented by the 20% year-on-year increase in the proportion of companies rating A/B testing as 'highly valuable', one of the largest shifts in this year's report."

Tai Rattigan, Head of Partnerships,
Amplitude Analytics

"What caught my eye is that pop-ups and modals are proving to be ineffective. This indicates that companies will have to rely on better integrated designs for their web pages as more and more people are having banner blindness with modals (they close them even without reading or thinking)."

Paras Chopra, CEO, VWO
(Visual Website Optimizer)

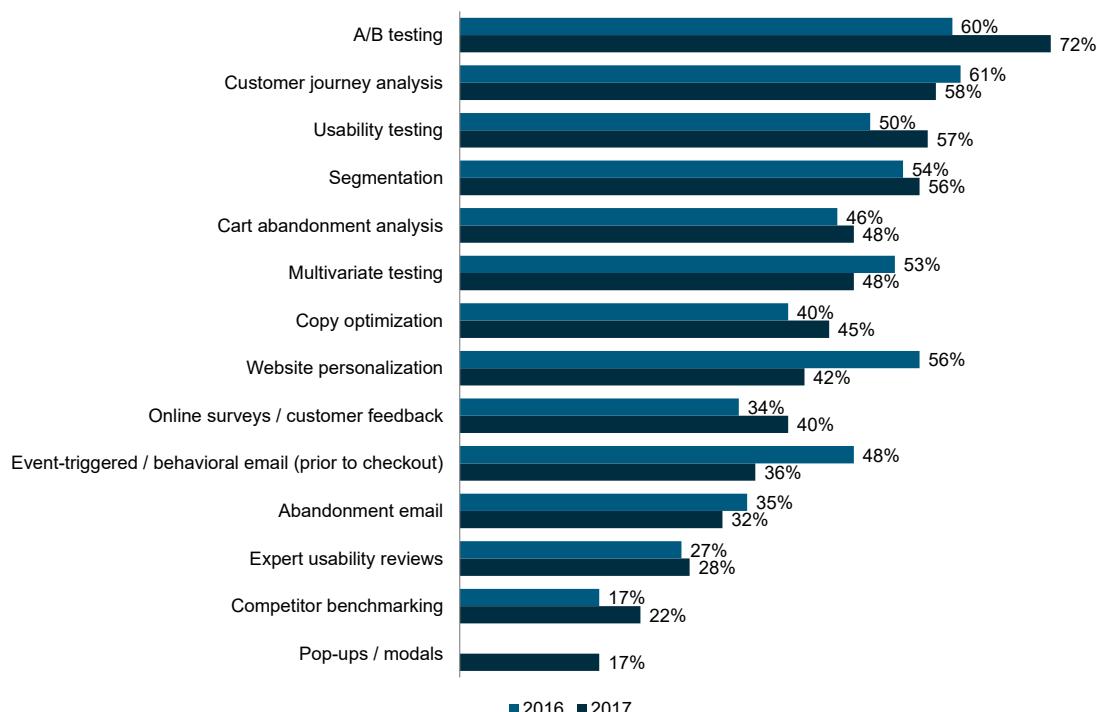
"A/B testing is almost synonymous with improving conversion rates. It's important to remember that A/B testing is not actually a method of improving results, but a system for validating hypotheses. If you expand that slightly, you realize the important element is actually generating hypotheses, and therefore listening to customers, getting your tracking as sorted as you can, making sure knowledge flows okay within your company and scrutinizing your website/application for opportunities are big, simple levers to help you improve results."

Dan Barker, Independent Consultant



Company respondents

Figure 12: Proportion of companies rating methods as 'highly valuable' for improving conversion rates



Note: 'Pop-ups / modals' is a new option for the 2017 survey, so there is no trend data.

Respondents 2017: 177
Respondents 2016: 185

Fewer agencies see their clients as convinced by the value of *A/B testing*, though it still emerges as highly valuable for the largest majority. Comparing the agency response to the client-side results shows that a higher proportion of agencies claim that their clients see these methods as not valuable.

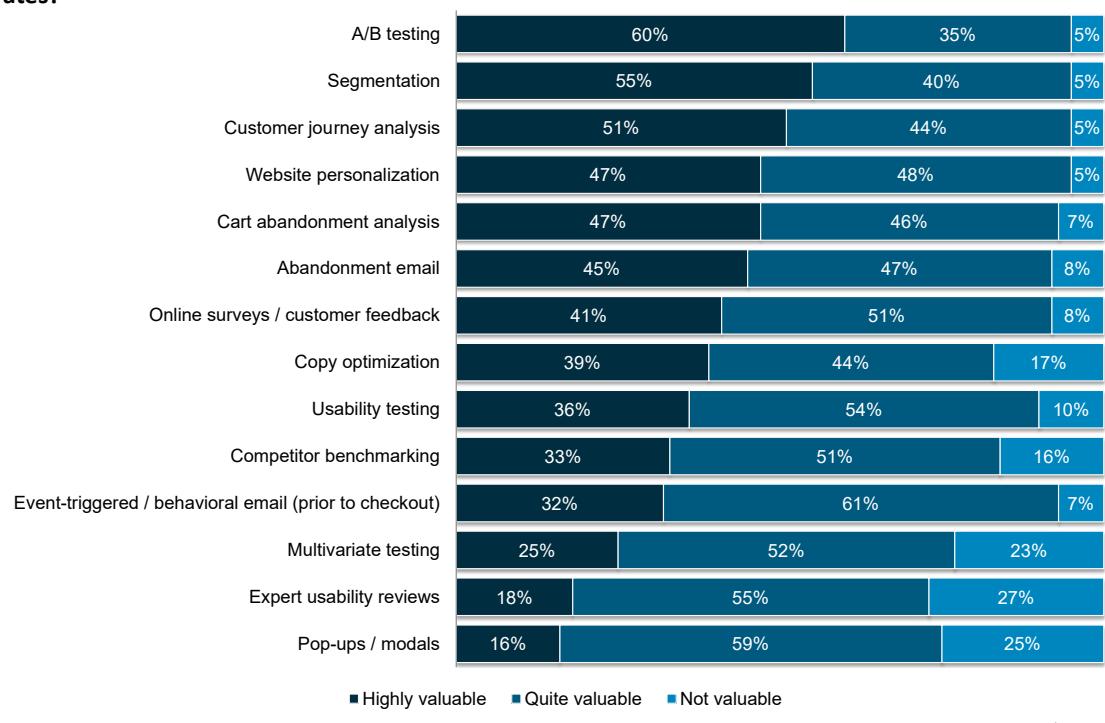
This trend is particularly clear for *multivariate testing*; 23% of agencies said their clients find the method not valuable compared to 6% of brands.

The change in value perception since last year is displayed in Figure 14, showing a drop of 16 percentage points in the proportion of agency clients finding multivariate testing highly valuable since 2016.

Usability testing has also seen a big drop in value perception since 2016: 52% compared to 36% this year. In the eyes of companies, however, the method has increased in value (Figure 12).

Agency respondents

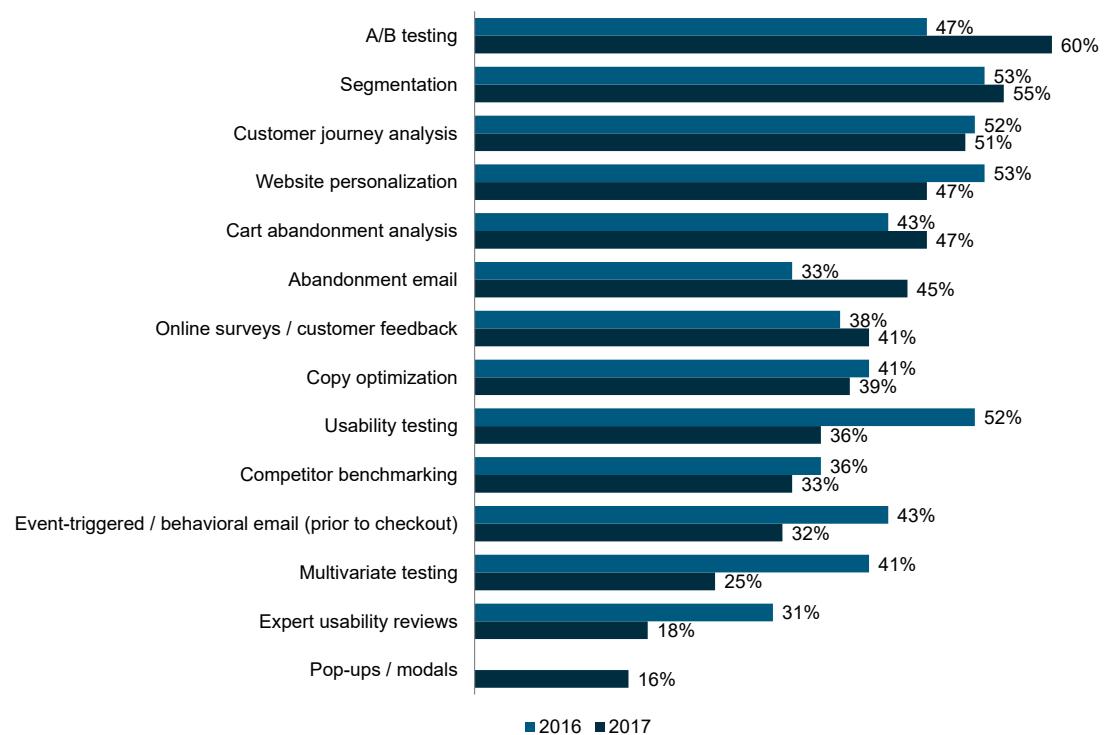
Figure 13: Typically, how valuable do your clients find the following methods for improving conversion rates?



Respondents: 76

Agency respondents

Figure 14: Proportion of agencies saying their clients rate methods as 'highly valuable' for improving conversion rates



Note: 'Pop-ups / modals' is a new option for the 2017 survey, so there is no trend data.

Respondents 2017: 76

Respondents 2016: 113

5.3. Difficulty implementing methods used for improving conversion rates

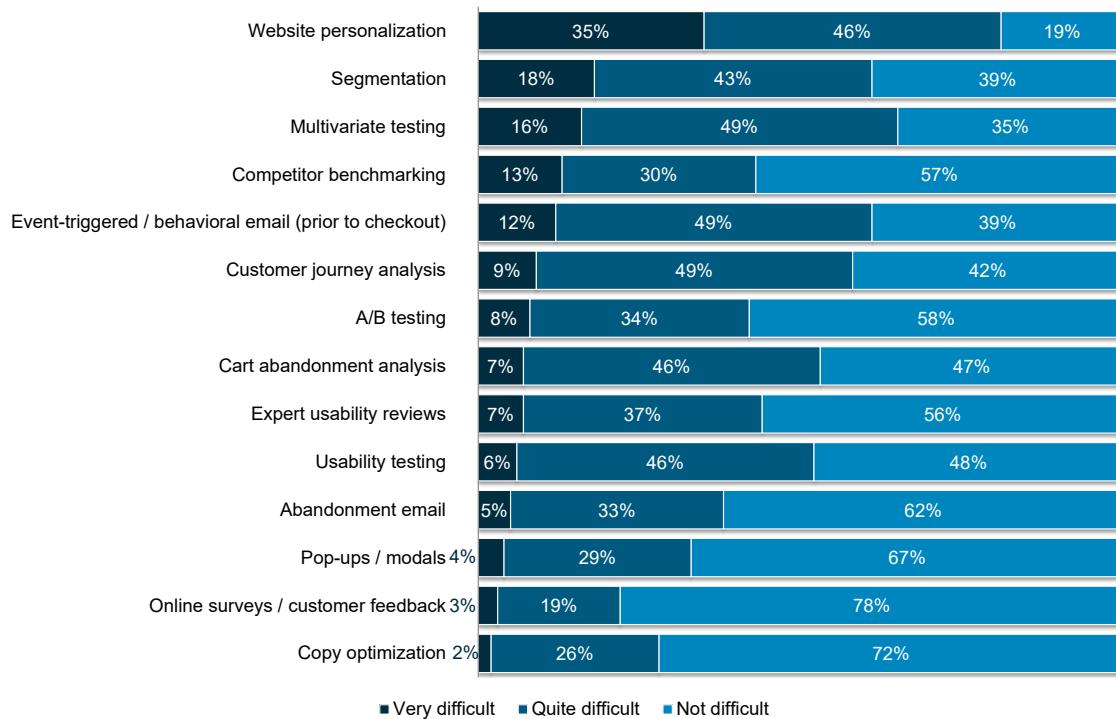
The value of *website personalization* to companies is shown in *Figure 11*, but the reason for it being least used yet most planned is highlighted in *Figure 15*; 35% see the CRO method as ‘very difficult’ to implement. This is by far the largest proportion, with *segmentation* coming next in order of difficulty (18% claim segmentation is very difficult to implement). These two methods are intrinsically linked, segmentation being crucial for successful personalization, and thus the former being difficult to implement only adds to the difficulty implementing the latter.

There has been no improvement in the capabilities around *website personalization* since last year according to client-side respondents (*Figure 16*), indicating that companies need to prioritize resource towards personalization capabilities in order to capitalize on the value opportunity.

Likewise, *multivariate testing*, the step up from simple A/B testing, is carried out by less than a third of companies, perceived as highly valuable by nearly half, but seen as difficult to implement by 65%. However, a lower proportion of respondents said this method was difficult to implement compared to last year (*Figure 16*), which could indicate improvements in skills and implementation.

Company respondents

Figure 15: How difficult is it to implement the following methods for improving conversion rates?



Respondents: 193



WHAT THE EXPERTS SAY

“Website personalization continues to be the most difficult method for improving conversion rates despite advances in technology and the addition of machine learning to many solutions since last year. The source of this difficulty lies not just with the technology to execute but also with the lack of access marketing and product teams have to the data needed to inform an effective personalization strategy. Personalization requires access to real-time behavioural data which is still often siloed and only accessible through data scientists and BI teams.”

Tai Rattigan, Head of Partnerships,
Amplitude Analytics

“Website personalization can work well but it adds complexity. Done badly, the website can become a dynamically generated mystery, beyond the comprehension of any human. Most companies can handle only about ten dimensions of complexity before they become gridlocked, unable to make changes.”

Ben Jesson, CEO of Conversion Rate Experts
and author of *Making Websites Win*

Company respondents

Figure 16: Proportion of companies rating methods as ‘very difficult’ to implement for improving conversion rates



Note: ‘Pop-ups / modals’ is a new option for the 2017 survey, so there is no trend data.

Respondents 2017: 193
Respondents 2016: 227

Agencies agree that *website personalization* is the most difficult to implement; exactly the same proportion said their clients found it difficult (either ‘very’ or ‘quite’) as the client-side response (81%). However, agencies see *multivariate testing* as significantly more difficult to implement than companies themselves indicate, and almost across the board, agencies see their clients as having more difficulty with CRO methods.

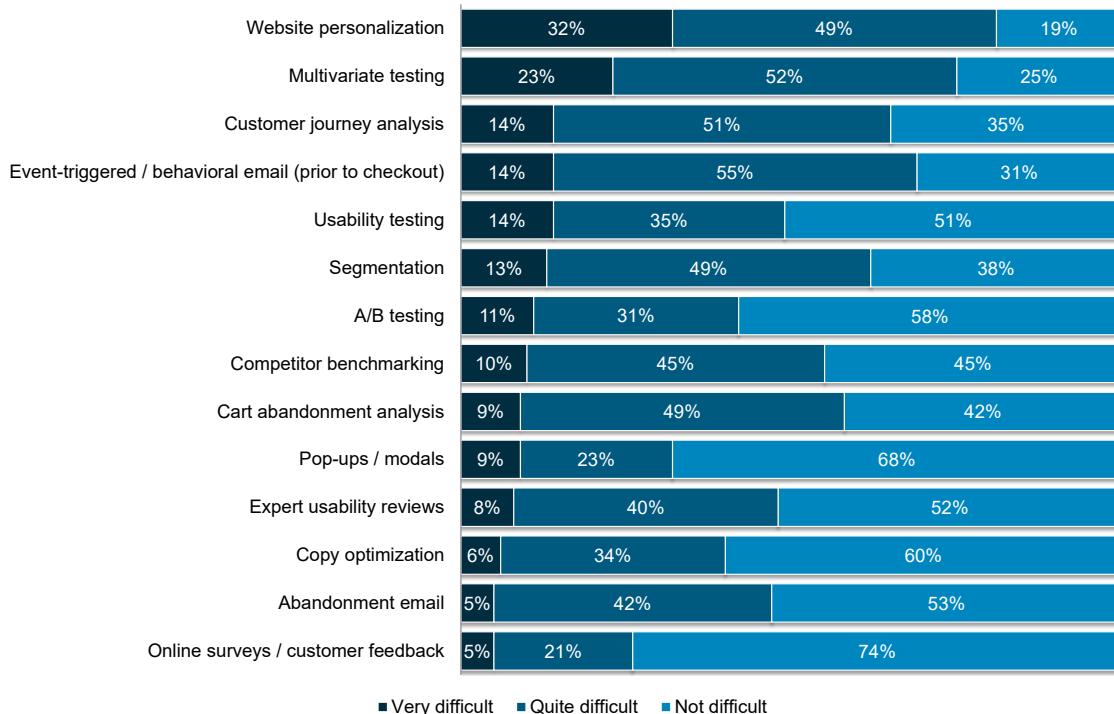
This could be a reflection of the expertise of agencies; they are likely to be more aware of the scale of good to bad practices in terms of use of CRO methods, and be more realistic as to how well these methods have been implemented by their clients as a result.

Figure 18 shines a more positive light on the agency viewpoint; this year’s results indicate that capabilities around the most difficult methods may have improved. *Multivariate testing*, *customer journey analysis* and *segmentation* were all selected as ‘very difficult’ to implement by a lower proportion of agencies this year.



Agency respondents

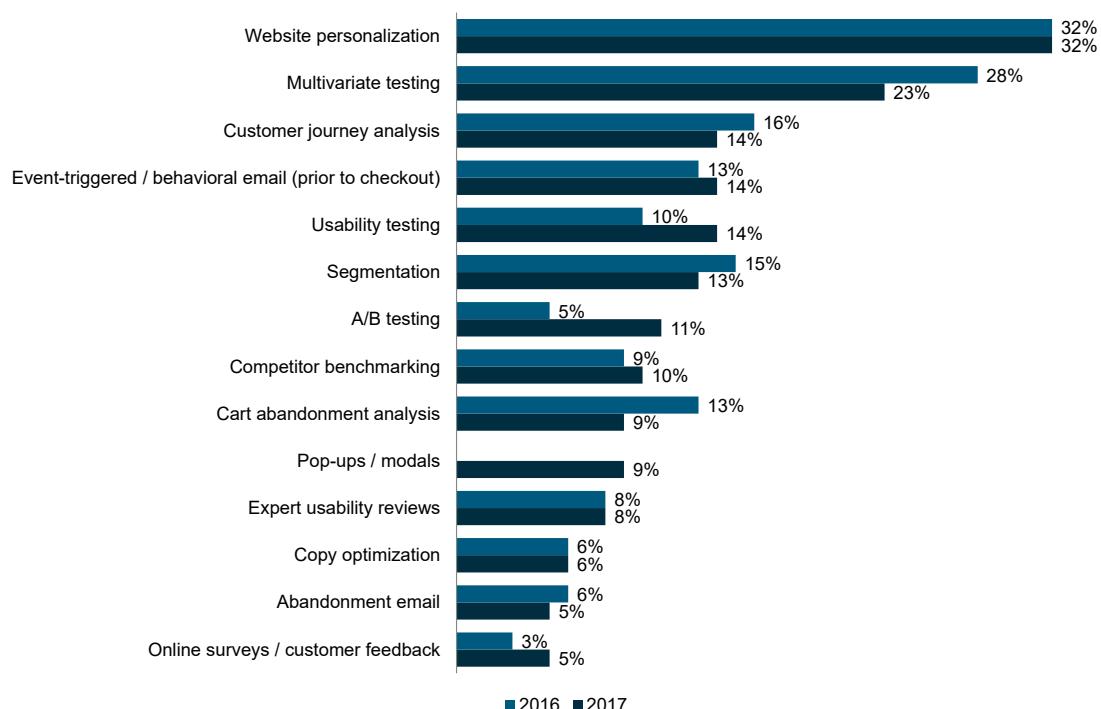
Figure 17: Typically, how difficult to implement do your clients find the following methods for improving conversion rates?



Respondents: 93

Agency respondents

Figure 18: Proportion of agencies saying their clients rate methods as ‘very difficult’ to implement for improving conversion rates



Note: ‘Pop-ups / modals’ is a new option for the 2017 survey, so there is no trend data.

Respondents 2017: 93
Respondents 2016: 107

Figure 19 illustrates the value and difficulty of implementing the various methods used for improving conversion rates. The size of the bubbles is proportional to the percentage of companies surveyed using each method for improving conversion rates. Typically, the greater the value, the greater the difficulty of implementation.

The chart illustrates where the quick wins in CRO are, and provides a framework of where to invest depending on current CRO capabilities and resources. *A/B testing* is in the bottom right, meaning its difficulty to implement is fairly low and its value is high. This makes it a good place to start for those companies new to CRO. Conversely, abandonment emails are lower value but easy to implement, making them a good addition for companies with budget to spare but without the strategy and knowledge in place for more complex methods.

Pop-ups / modals, a new option for this year’s survey, are seen as easy to implement but provide little value.

The most difficult to implement is website personalization, contributing an average value to conversion rates. This leads to it being a little used technique, but could give those with the capabilities to implement it successfully a significant competitive advantage over those without the means to add it to their CRO arsenal.



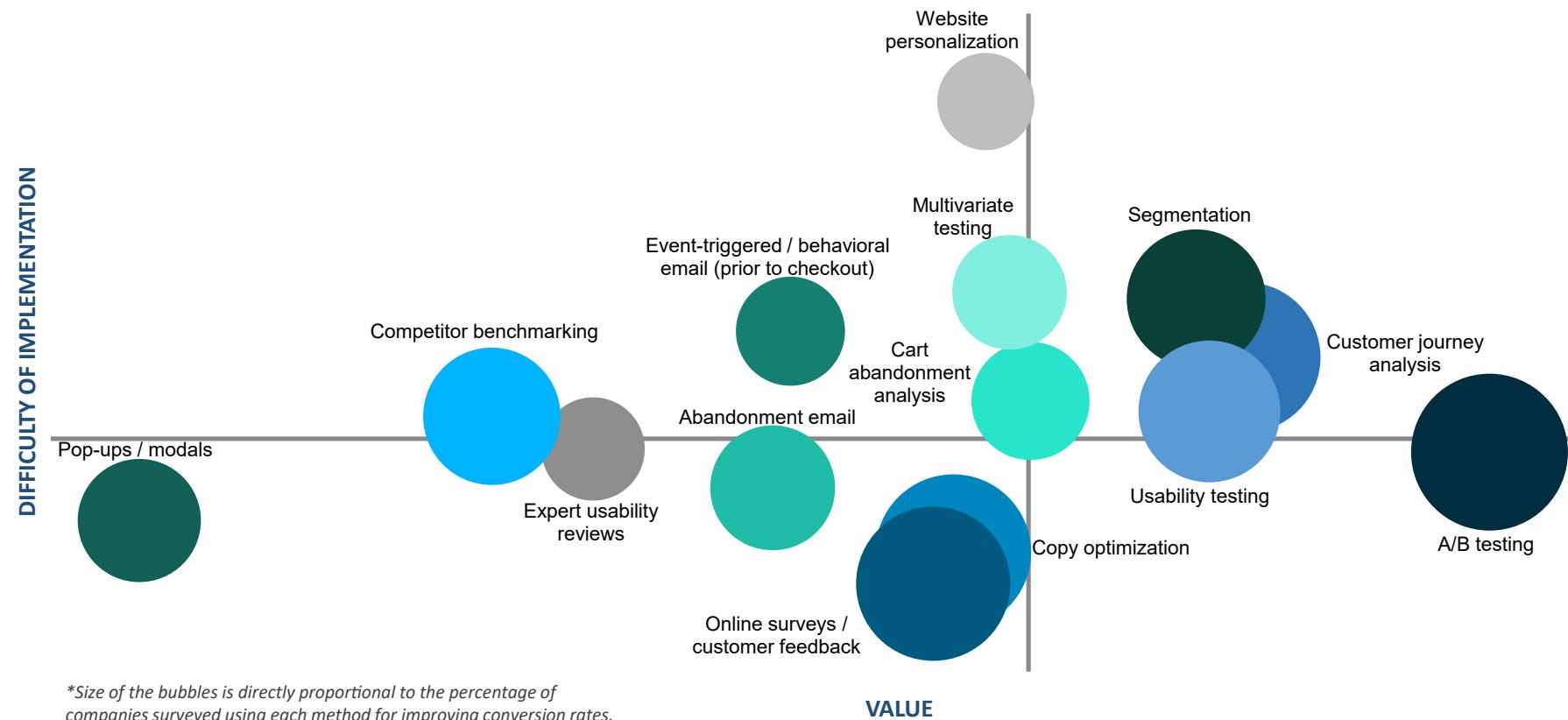
WHAT THE EXPERTS SAY

“A/B testing comes top of the list for most valuable methods of improving conversion rates. This is familiar, as A/B testing and ‘conversion rate optimization’ have become almost synonymous. But... if you look at the trade-off between ‘difficulty to implement’ and ‘value’, most businesses should be spending more time and resources on optimizing copy, gathering customer feedback, implementing a straightforward usability testing program and analyzing customer journeys in greater depth.”

Dan Barker, Independent Consultant

Company respondents

Figure 19: Value and difficulty of implementing methods used for improving conversion rates



6. TESTING AND PERFORMANCE

6.1. Areas of testing

Testing has proven to be a popular and valuable method for improving conversion rates, and is generally accepted by the industry as a crucial component of strategy, creating insights around audience, content and usability.

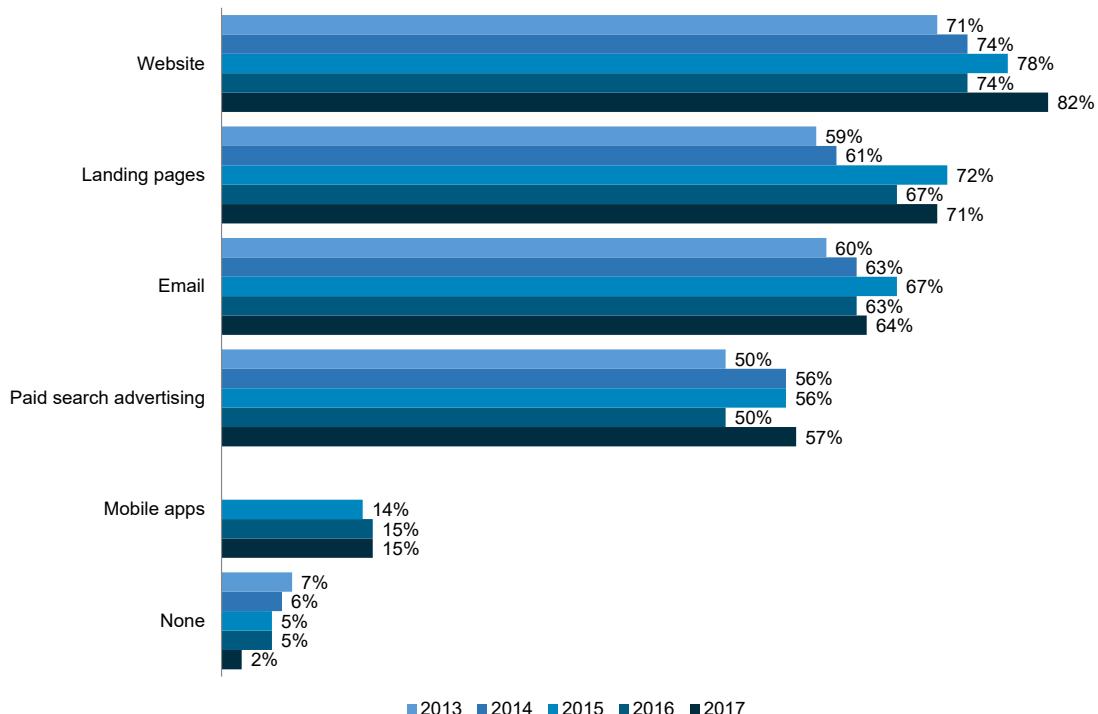
As testing methodologies have developed and customer journeys have increased in complexity, introducing hypothesis-based testing as part of a company's culture has become best practice in order to foster an environment that encourages a continuous cycle of testing, learning and development.

Figure 20 shows that the website continues to be the most tested area, with landing pages specifically tested by more than 70% of companies. This year's results indicate that companies are testing more than ever, with an increased proportion of respondents testing all but one area (*mobile apps*, steady at 15%).

The agency response (Figure 21) is similar, though in this case, testing of mobile apps has seen a ten percentage point decrease on last year. Results discussed in Section 7 indicate that agencies are unsure of the value of mobile apps when it comes to conversion rates, which could mean they are less of a priority for testing than other areas.

Company respondents

Figure 20: What areas do you test?



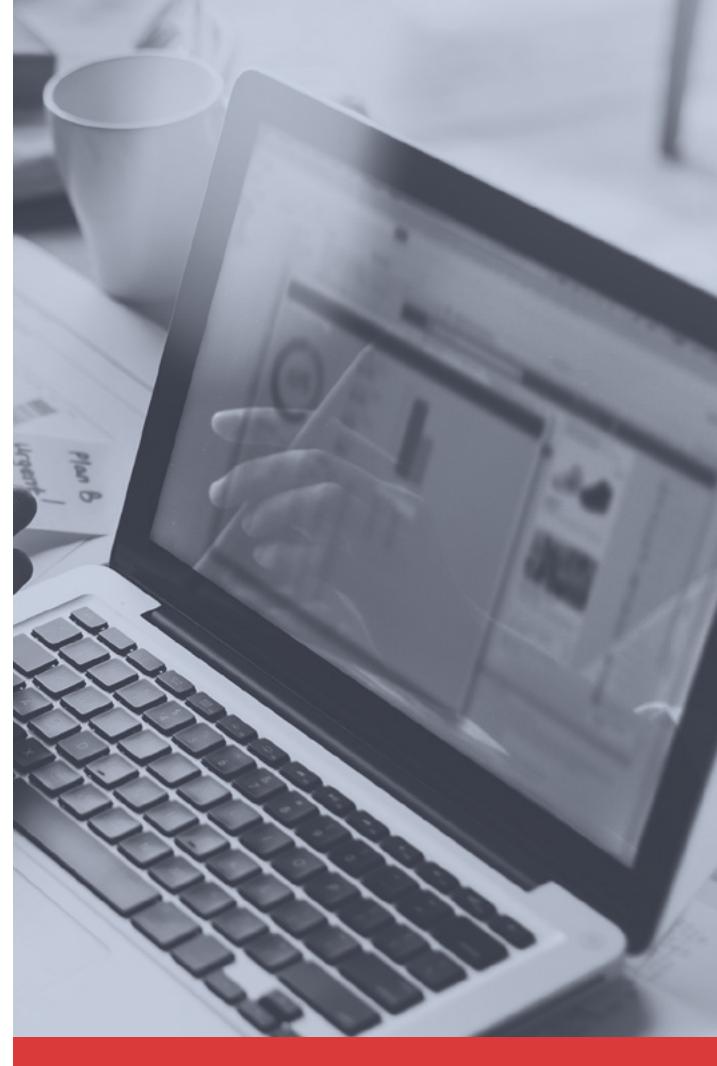
Respondents 2017: 370 | 2016: 431
2015: 437 | 2014: 498 | 2013: 380



WHAT THE EXPERTS SAY

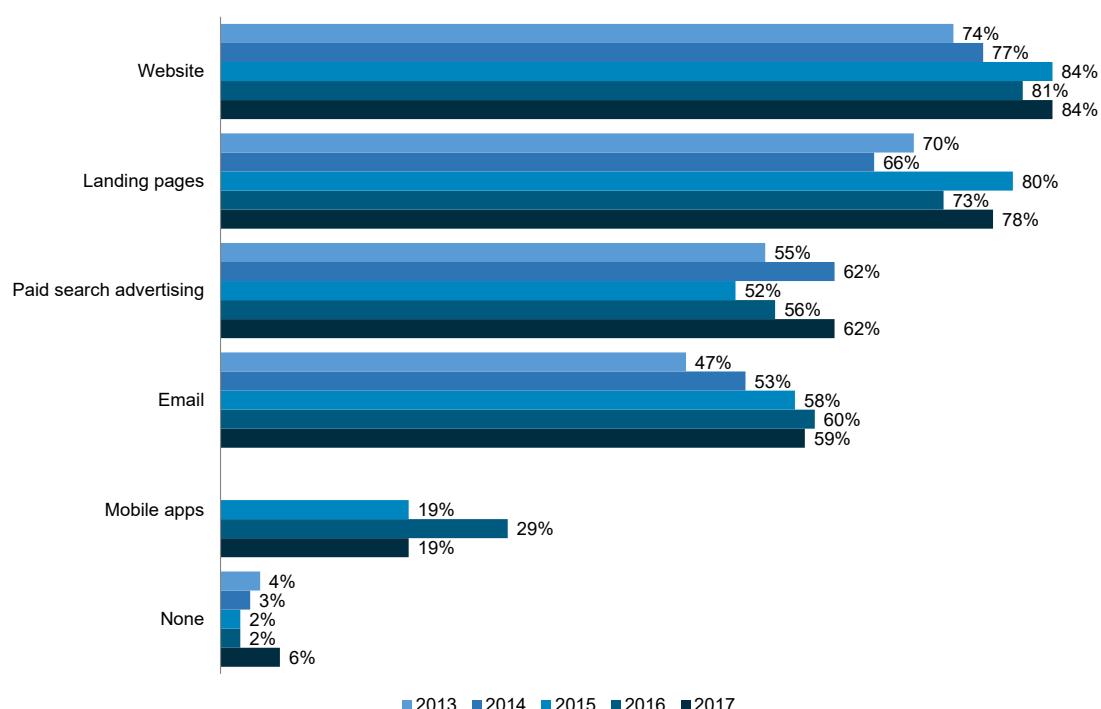
"Paid search testing came back in 2017 as a higher priority test area. As a Facebook Ads agency we're seeing every customer value the importance of testing through the customer journey, from ad impression to website visit and beyond, however resourcing up and remaining ahead of the test curve remain a challenge. That said, paid search is such an easy and obvious way to test the impression-to-click experience by passing data in the URL to a page to tailor the messaging. It's been a tactic for many over the last decade, if not longer, and the 2017 data shows that there's been a big jump in the proportion of those stating that search has been better aligned with personalization."

Depesh Mandalia, Founder and CEO,
SM Commerce



Agency respondents

Figure 21: Typically, what areas do your clients test?



Respondents 2017: 175 | 2016: 228
2015: 259 | 2014: 323 | 2013: 309

6.2. Elements of websites tested

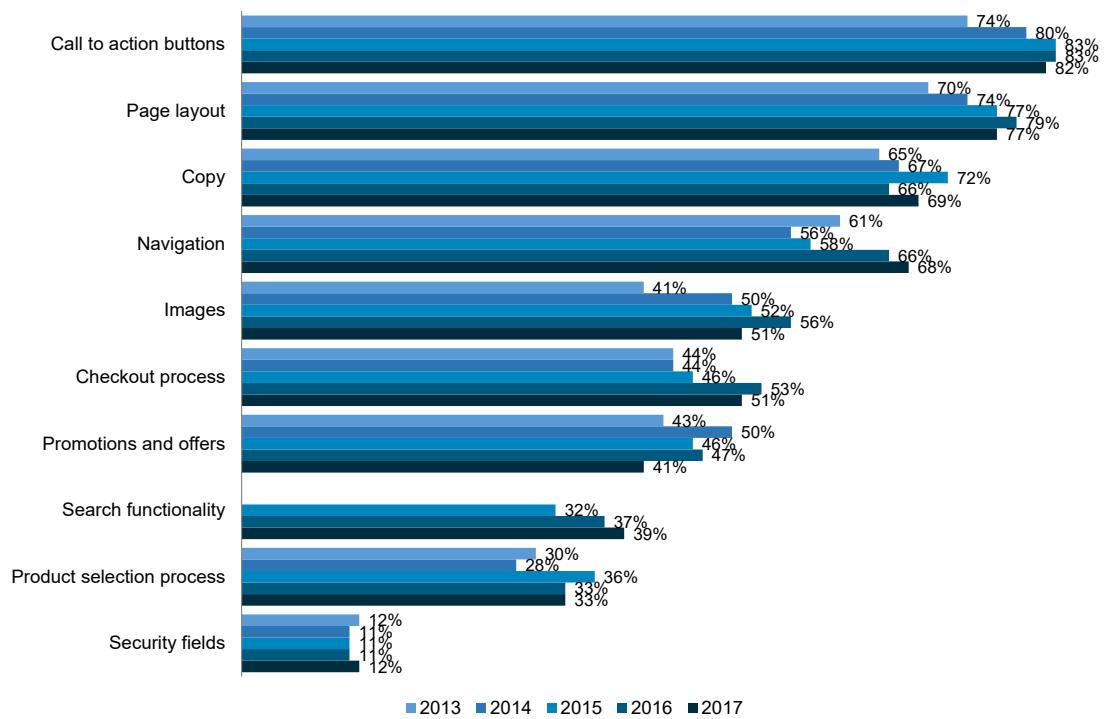
Websites vary in function, particularly between different sectors, and the priorities for testing various elements change with that function.

Figure 22 provides a general view of what the most common elements of a site are to test, with *call to action buttons* coming out on top (82%), followed by *page layout* (77%) and *copy* (69%). *Product selection process* and *security fields* are selected by far fewer respondents, likely to be a result of the differences in website functions, and the fact that security fields are a regulated element of a website.

As ecommerce has become increasingly commonplace, optimized navigation around a site has increased in importance, and this increase is reflected in Figure 22. This, plus a large proportion of respondents testing page layouts, points towards companies focusing on optimizing the design of the customer journey around the site; a strong strategy in an era where customer experience is key.

Company respondents

Figure 22: Specifically for your website, what do you test?



Respondents 2017: 300 | 2016: 316 | 2015: 335
2014: 365 | 2013: 267

“ WHAT THE EXPERTS SAY

“Throughout much of the report, answers indicate that businesses are getting to the point of relative sophistication when it comes to optimization. This chart bucks the trend a bit, with the stereotypical ‘button testing’ coming out top as the area most tested on websites. When you look at what actually has most impact in tests, product selection, pricing, imagery and copy almost always beat simplistic things like button color when it comes to actually driving results.”

Dan Barker, Independent Consultant



Promotions and offers are tested by a higher proportion of agency clients (*Figure 23*), which is the only significant difference between the company and agency response.

Somewhat surprising is the position of *search functionality* near the bottom of the chart in *Figure 22*. Though not every single website requires a search component, search has become a very common feature of a customer's journey. Research suggests that the ubiquity of using Google to begin an online journey means there's a greater need to provide customers with the ability to begin their journey on a brand's website in the same way.



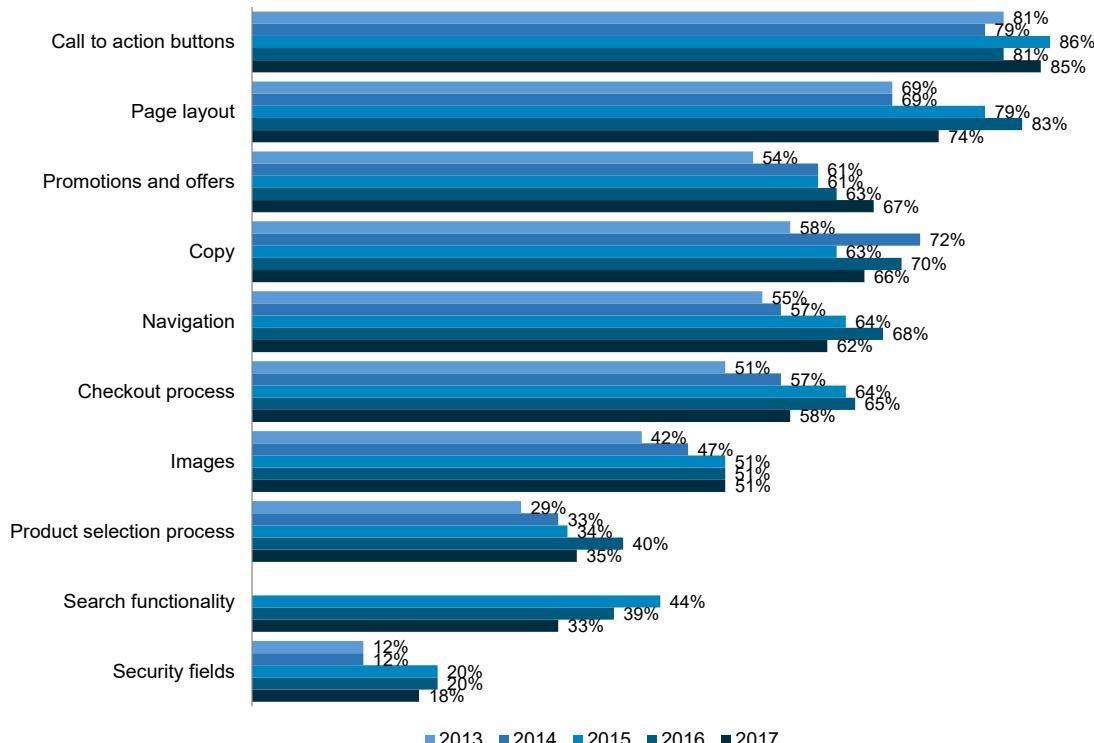
WHAT THE EXPERTS SAY

“Copy changes tend to be more effective than layout changes. And they are much easier to implement.”

Ben Jesson, CEO of Conversion Rate Experts
and author of *Making Websites Win*

Agency respondents

Figure 23: What do your clients typically test on their websites?



Respondents 2017: 144 | 2016: 183
2015: 213 | 2014: 243 | 2013: 226

6.3. Number of tests carried out on website per month

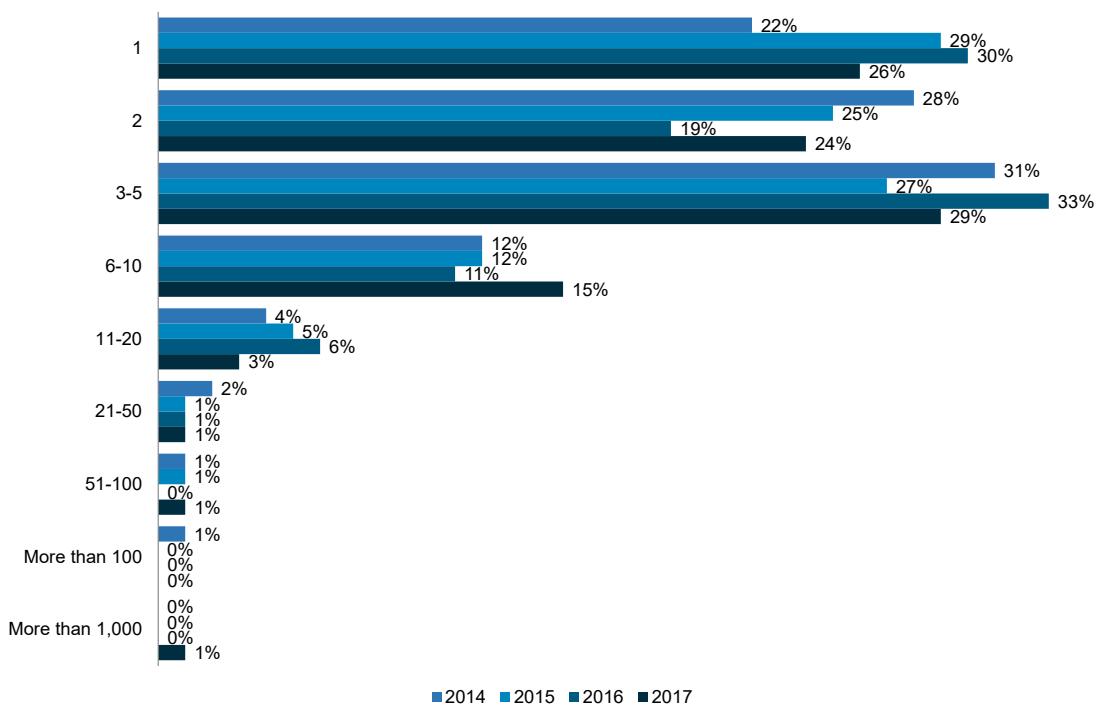
There is no standard number of tests a marketer should carry out each month. Some would say as many as possible is best. However, the general answer is largely a function of the complexity of the website and how it is being used.

There are multiple website elements that can be optimized, particularly when looking at the journey the user took to land on the site. Many businesses don't quite grasp how large the potential for running tests on their sites is. But running tests for the sake of testing is not a viable option. Organizations need a clear CRO testing strategy, allied to objectives and ensuring that testing is being carried out on the right website elements and crucially, learned from.



Company respondents

Figure 24: On average, how many A/B or multivariate tests do you carry out each month on your website?



Respondents 2017: 295 | 2016: 314
2015: 326 | 2014: 359

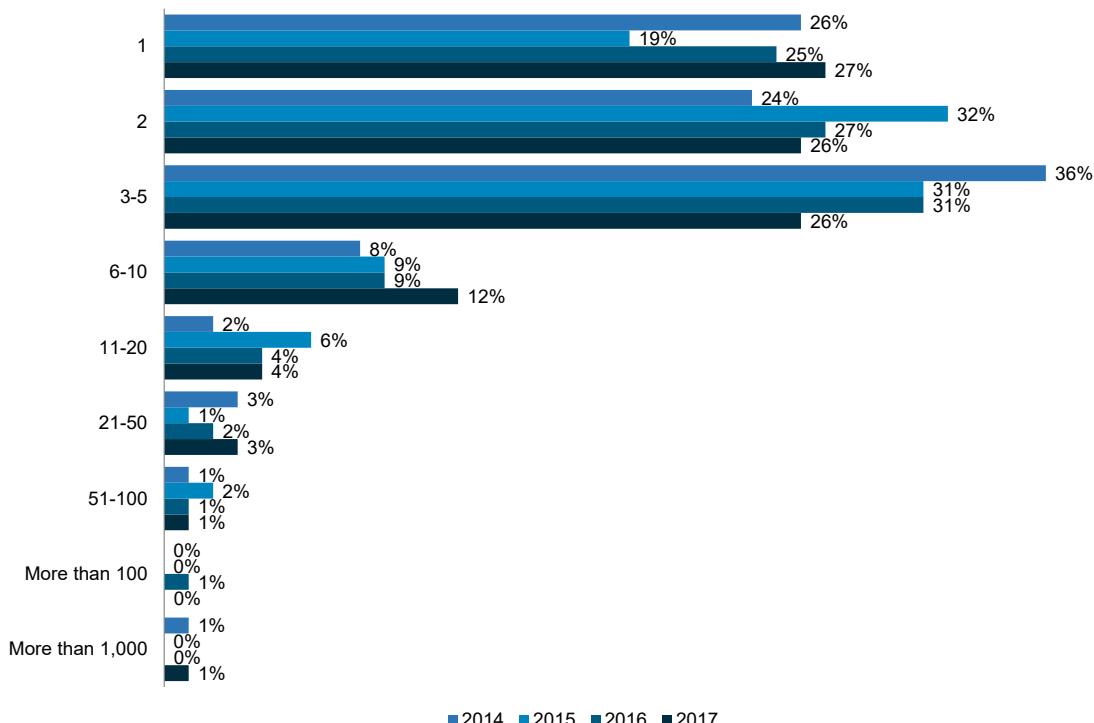


This year, there has been an increase in the number of tests being carried out, with the proportion of those running at least two tests each month increasing by 6%. Encouragingly, there's been a significant rise (+36%) in the proportion of those carrying out between six and ten tests. The agency response (*Figure 25*) is similar, with the proportion of those claiming that their clients carry out at least six tests each month increasing by 24%.

Further analysis of the data revealed that the optimal number of A/B or multivariate tests is three to five. The vast majority (85%) of companies running between three and five tests each month have seen improvements in conversion rates and nearly two in five (38%) are satisfied with their conversion rates.

Agency respondents

Figure 25: On average, how many A/B or multivariate tests do your clients carry out each month on their website?



Respondents 2017: 145 | 2016: 179
2015: 212 | 2014: 242

6.4. Ideas for testing

As seen in *Figure 26*, ideas for testing come from analytics for more than three-quarters (77%) of respondents. It's worth noting that a wider range of techniques are used to get ideas for testing this year. For six out of the ten sources of ideas featured in the chart, there have been increases in the proportion of respondents using them.

Although analytics remains the favorite, *user research* and *competitor website analysis* have both seen jumps in use since last year.

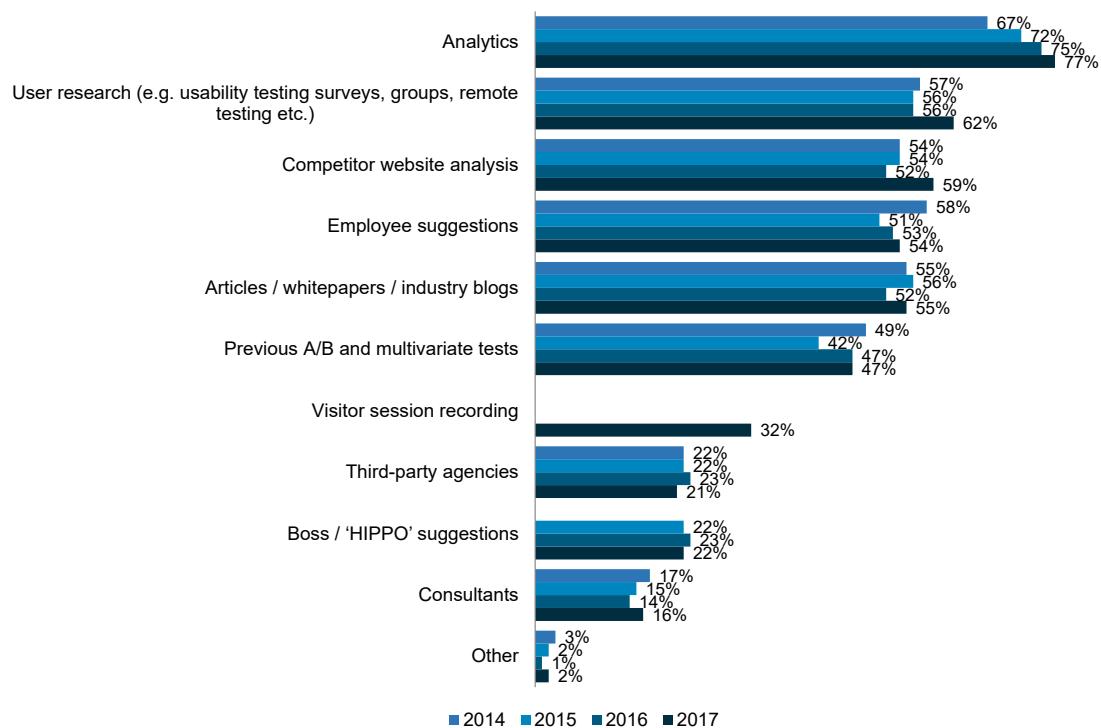
Again, agencies have a slightly less optimistic view this year than in 2016 (*Figure 27*), with smaller proportions than last year selecting a number of ideas sources.



ANALYTICS IS THE MOST POPULAR SOURCE OF IDEAS FOR TESTING

Company respondents

Figure 26: Where do you get your ideas for testing?



Note: 'Visitor session recording' is a new option for the 2017 survey, so there is no trend data.

Respondents 2017: 359 | 2016: 410
2015: 419 | 2014: 478



WHAT THE EXPERTS SAY

"It's surprising to see analytics so high on the list. Analytics is great for revealing which areas to look at, but of the 24 techniques we use, it's one of the least rich and fruitful."

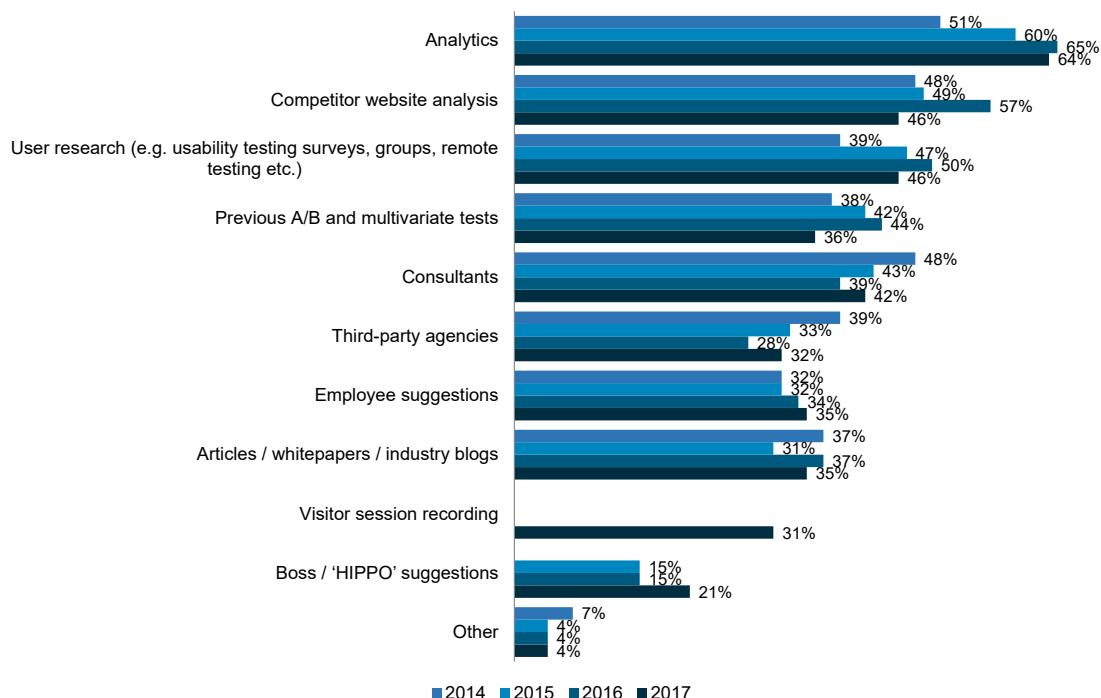
Ben Jesson, CEO of Conversion Rate Experts and author of *Making Websites Win*

"Analytics continues to be the most popular source of ideas to form a testing roadmap, growing in popularity year over year. As innovative solutions continue to be added to self-service analytics tools to improve visibility into the customer journey, identifying users across platforms and devices, and machine learning makes deriving insights easier and more scalable, I expect to see this number to increase significantly."

Tai Rattigan, Head of Partnerships, Amplitude Analytics

Agency respondents

Figure 27: Where do your clients typically get their ideas for testing?



Note: 'Visitor session recording' is a new option for the 2017 survey, so there is no trend data.

Respondents 2017: 165 | 2016: 221
2015: 248 | 2014: 314

6.5. Testing methods by channel

Regardless of channel, the consumer is still the same person, so behavior in one channel can produce insights for strategy in another. This means it is important to test all channels to enable growth, regardless of which channel is currently contributing the most traffic.

For many marketers, mobile has grown substantially as a percentage of web traffic over the past few years, and therefore testing and optimizing the mobile journey has become increasingly important. The biggest technical challenge for mobile testing is quality assurance (QA) testing of the test variations on all the different browser, operating system and device combinations.

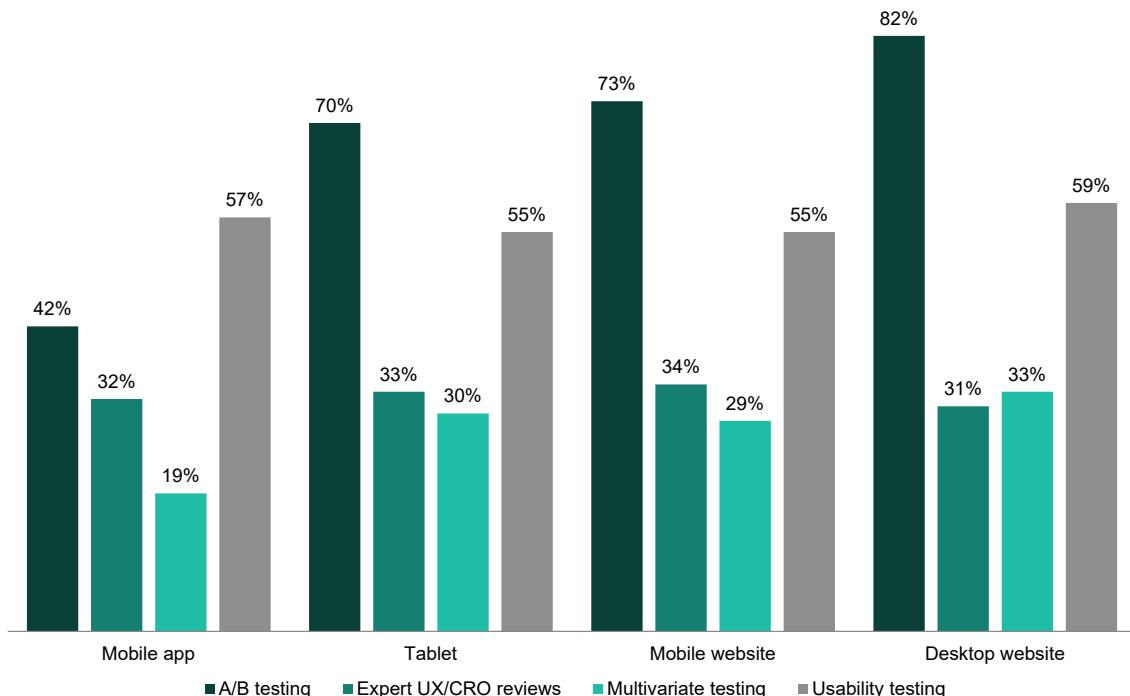
For mobile apps, *usability testing* emerges as the most common testing method. Apps often contain more streamlined content and functionality than desktop sites, and navigating on a smaller screen without optimization for the challenges that come with this can be disastrous to conversion rates.

As such, the usability of the app is paramount, prioritized above multivariate testing in particular. For the other channels featured in *Figure 28*, A/B testing is most commonly performed, but across all channels, usability testing is the only method used by the majority. *Multivariate testing*, already shown to be difficult (albeit valuable) to implement, is used by less than a third of respondents on every channel.



Company respondents

Figure 28: What testing methods are you performing on the following channels?



Respondents: 299



WHAT THE EXPERTS SAY

"A/B testing for mobile apps is half as prominent as for website testing. This is due to two factors: a) A/B testing for mobile apps is not easy (it requires changing the app code for every new A/B test); b) mobile apps are owned by product teams while websites are owned by the marketing team, and A/B testing has been prominent in the marketing team."

Paras Chopra, CEO, VWO
(Visual Website Optimizer)

"A/B testing is by far the most popular method for testing across all platforms except mobile applications, where A/B testing continues to be more technically demanding and time-consuming. Recent innovations in the mobile app optimization landscape are making A/B testing on mobile apps more accessible to marketing and product teams but there is a 3-5 year lag for many organizations in comparison to how they approach their web strategy."

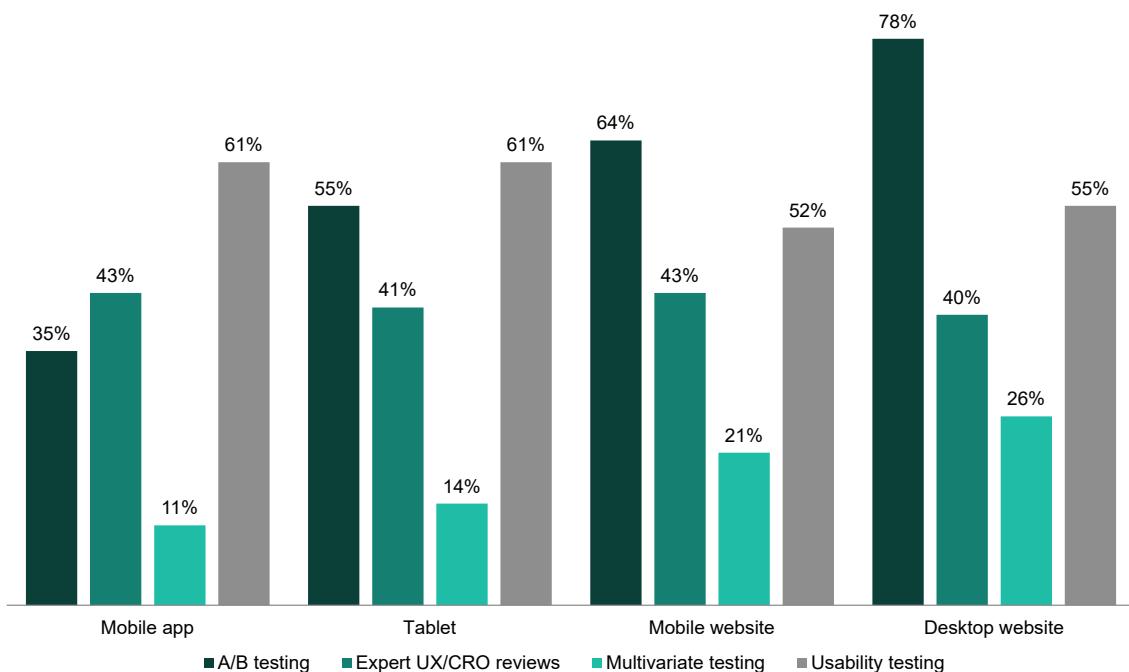
Tai Rattigan, Head of Partnerships,
Amplitude Analytics

The agency view differs, particularly with respect to tablets, where a significantly lower proportion say their clients use *A/B* and *multivariate testing*, but a substantially larger proportion point to *expert UX/CRO reviews* and *usability testing*. The latter often involves the collection of more qualitative data,

which takes more time and resource to convert into actionable insights, compared to the quick wins of *A/B* testing, and therefore more likely to be outsourced to an agency.

Agency respondents

Figure 29: What testing methods are your clients performing on the following channels?



Respondents: 143

6.6. Complexity of testing

Predictably, the frequency of tests reduces with the complexity of the test. The results in *Figure 30* show no significant differences between 2016 and 2017, with slight increases in frequency across all the tests (aside from those highly complex ones). Agencies cite slightly decreased testing frequencies (*Figure 31*). This is particularly true of complex and highly complex tests, with the proportion of agency clients running them occasionally or frequently down five and eight percentage points respectively.

As was the case last year, the more complex the testing, the more likely companies are to see improvements in and increased satisfaction with conversion rates (*Table 3*). However, regardless of the level of complexity, improvements are more likely if the tests are run frequently (*Table 4*).

Company respondents

Figure 30: At each level of complexity, how often do you run tests?

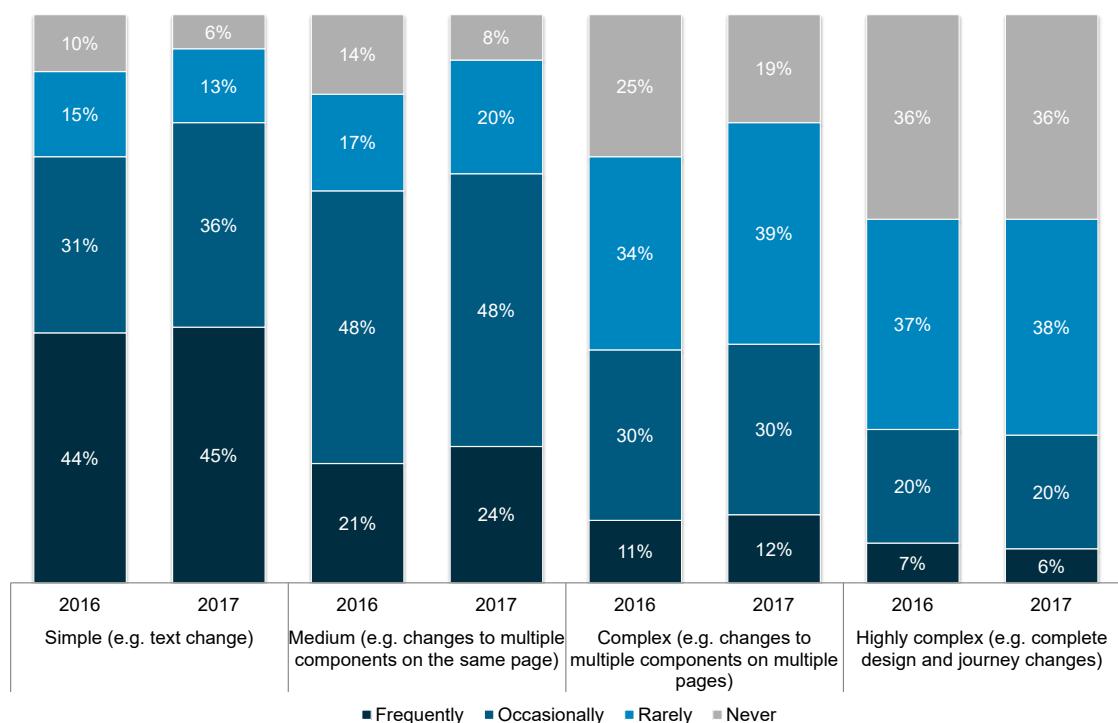


Table 3: Complexity of testing versus performance and satisfaction

	Proportion of companies seeing improvements in conversion rates	Proportion of companies satisfied with conversion rates
Simple	75%	30%
Medium	75%	30%
Complex	78%	33%
Highly complex	79%	33%

Table 4: Frequency of testing versus performance and satisfaction

	Proportion of companies seeing improvements in conversion rates	Proportion of companies satisfied with conversion rates
Frequently	83%	41%
Occasionally	77%	32%
Rarely	70%	24%

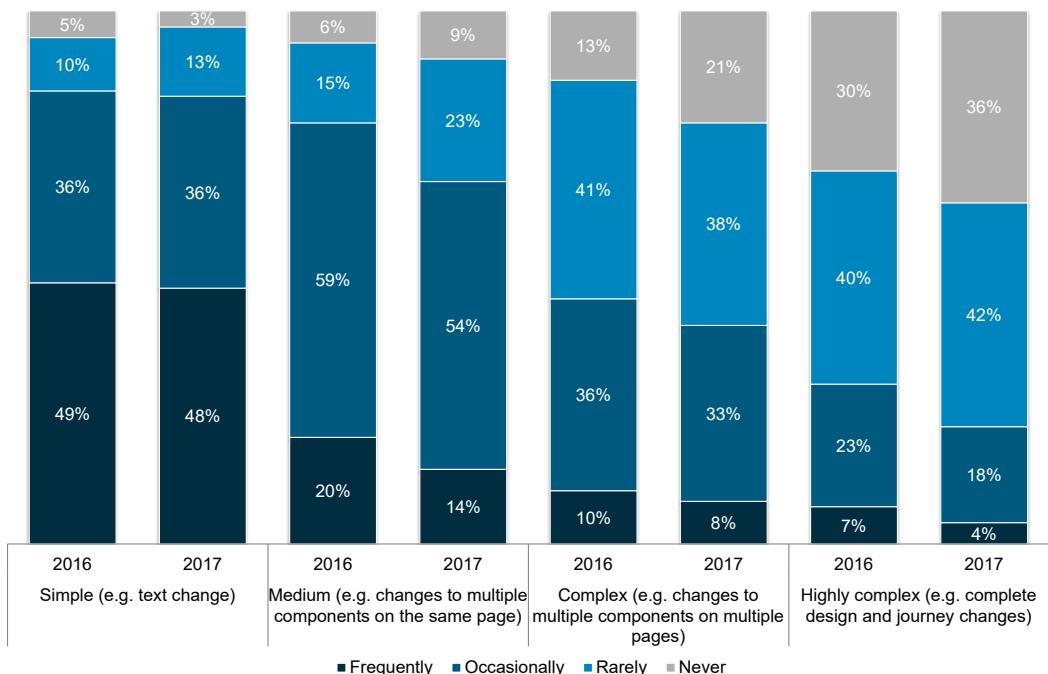
“ WHAT THE EXPERTS SAY

“Wow. The correlation between frequency of testing and satisfaction with conversion rates is incredible. However, I’m not surprised. We see the same results with our clients. Our most successful clients measure progress of CRO programs not by whether they had a win in their A/B tests or not, but by the number of tests they’re running every week.”

Paras Chopra, CEO, VWO (Visual Website Optimizer)

Agency respondents

Figure 31: At each level of complexity, how often do your clients typically run tests?



7. PERSONALIZATION

7.1. Extent of personalization

In order to ascertain opinions around personalization and the use of data, survey respondents were asked to state whether they agreed or disagreed with a set of statements.

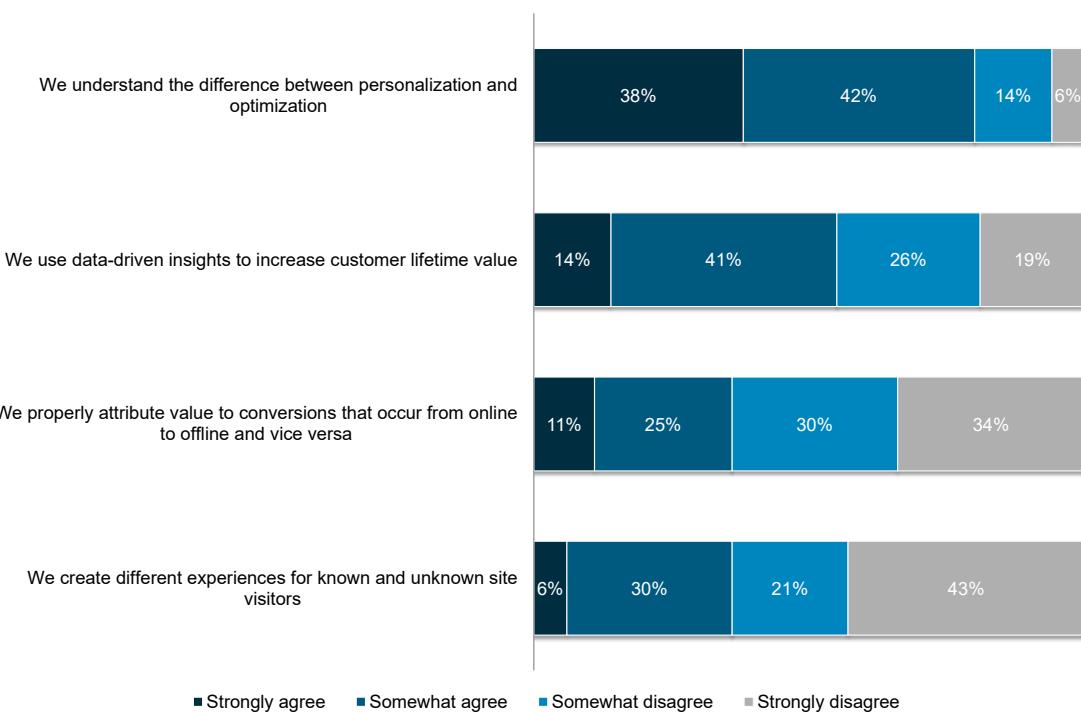
The vast majority (80%) of client-side respondents claim they understand the difference between personalization and optimization (*Figure 32*), but only three in five (59%) agencies say that's the case (*Figure 33*). Perhaps more worryingly, nearly two-thirds (64%) of companies don't create different experiences for known and unknown site visitors.

Customer lifetime value (CLV) is used to determine the long-term value of a customer to the business and should arguably sit at the core of a company's marketing performance metrics. The fact that personalization can improve performance, and in turn increase CLV, over a generic customer experience, is widely acknowledged.

However, personalization is as good as the data that feeds into it and many organizations are not able to unlock the full value of their data yet. This research supports this view, as only around half (55%) of those surveyed are using data-driven insights to increase customer lifetime value.

Company respondents

Figure 32: Thinking of your organization, to what extent do you agree or disagree with the following statements?

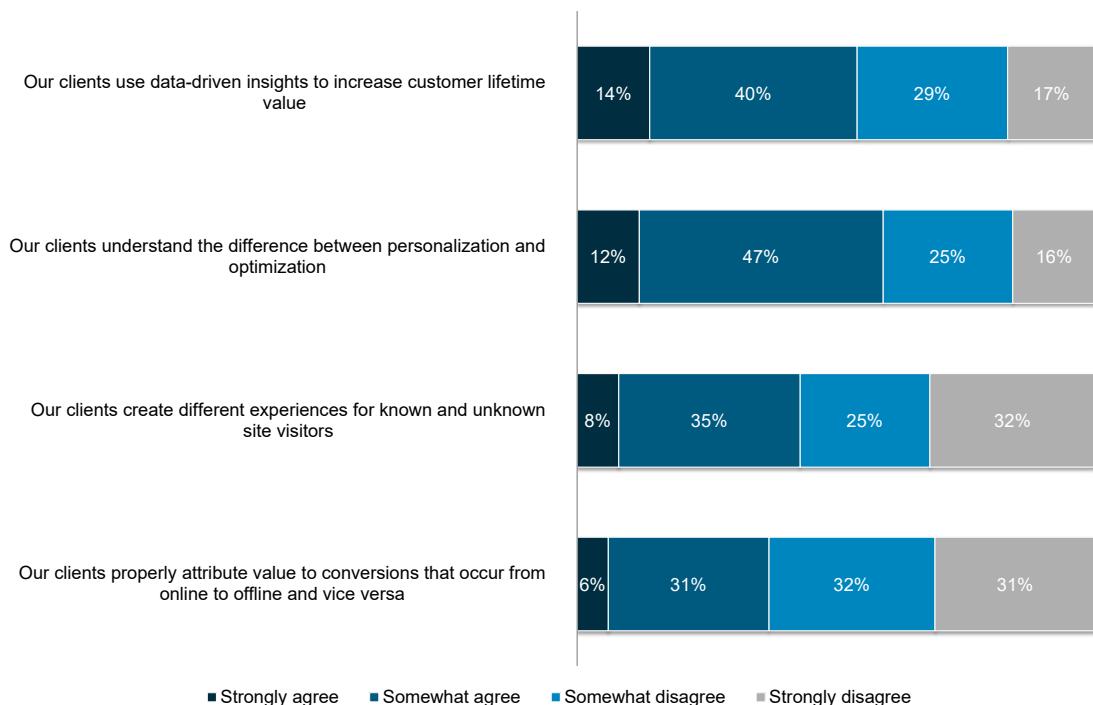


Note: This is a new question for the 2017 survey, so there is no trend data.

Respondents: 310

Agency respondents

Figure 33: Thinking of your clients, to what extent do you agree or disagree with the following statements?



Note: This is a new question for the 2017 survey, so there is no trend data.

Respondents: 136

The value of website personalization was shown in *Section 5.2*, where 42% of respondents professed to find website personalization highly valuable. Personalization has gone through a hype cycle over the last five years, as technologies gained in complexity and marketers improved their capabilities. According to Gartner, personalization is now on the 'slope of enlightenment'; on its way to plateauing in terms of adoption and productivity.

Overzealous targeting, often combined with retargeting, has led to decreasing consumer satisfaction with personalization over the last couple of years, and negative attitudes have added to the barriers to personalization success for marketers.

The difficulty in implementing effective personalization is reflected in *Figure 34*, where less than two-thirds (62%) of respondents claim to be using personalization; a figure which has decreased for the second year running. It is rare for personalization, even of a very basic type, to not be of value to a company, so the decline in the proportion of those using the discipline indicates

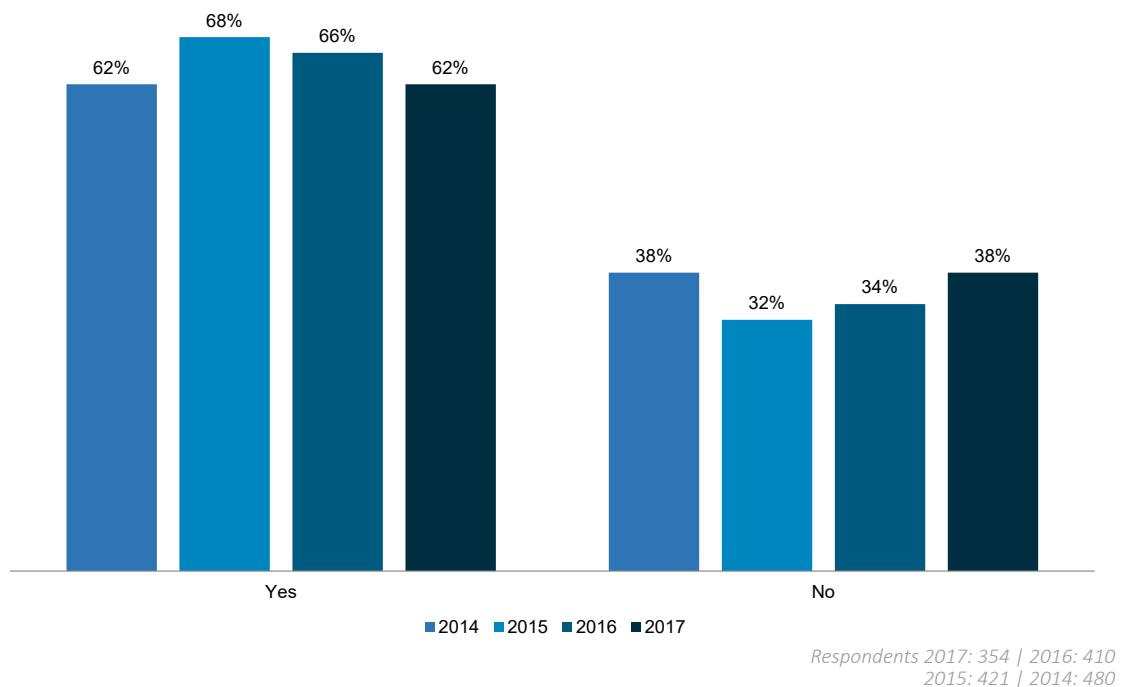
that companies have work to do in improving their capabilities, whether that be data management, tools or internal/external skills.

In contrast, those companies using agencies are more likely to be personalizing their marketing (*Figure 35*). Almost three-quarters (73%) of agencies said their clients were undertaking some form of personalization, albeit with a slight dip on last year.

NEARLY TWO-THIRDS OF COMPANIES DON'T CREATE DIFFERENT EXPERIENCES FOR KNOWN AND UNKNOWN SITE VISITORS

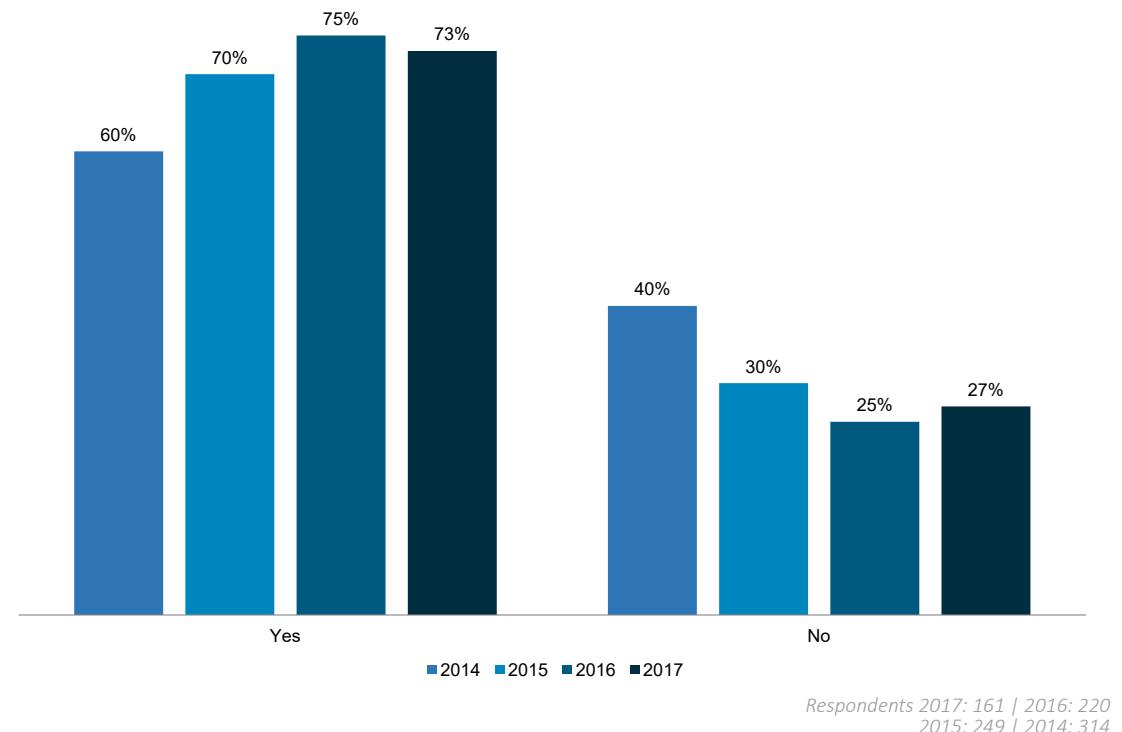
Company respondents

Figure 34: Do you undertake any form of personalization in your marketing activity?



Agency respondents

Figure 35: Do your clients typically undertake any form of personalization in their marketing activity?



Client-side respondents were also asked to define personalization in their own words and the answers couldn't have been more diverse (see a few select answers overleaf). While some perceive personalization to be about tailoring content and offers at an elementary level, others believe it encompasses anything that can make the experience feel more individual to the user.

Despite these differences in opinion, it's worth noting that all respondents acknowledge the value of personalization. A common theme was the impact that personalization can have, on both the company's commercial objectives and customer's own outcomes.

COMPANY RESPONDENTS



In your own words, how do you define personalization?

"Ability to target individual customers using their personal preferences, activity history and other data points personal to them to ensure their experience is easier, quicker and more personal."

"Identifying segments that behave in specific ways, desirable or undesirable, and serving them an experience that has been tested and proven to improve outcomes for this segment – whether those are our commercial outcomes or the customer's own outcomes."

"Presenting content and possibly navigation which is based on an individual user's former behaviors, stated preferences, circumstances and needs."

"Utilizing known data about a user to talk in a more direct voice and provide more relevant information (e.g. John, you normally use our online portal but you contacted us by phone today to change your PIN – watch this video to learn how you can DIY online)."

"Delivering communications and customer experiences to the individual based on what is known or inferred about that individual through data."

"Modifying the individual experience of the user, based on what you know about that person at that particular point in time, with the aim of making that experience better and more likely to lead to a sale."

"Tailoring the content, product suggestions and frequency of advertising to customers based on their known behavior and preferences."

"Displaying different content to users, based on data you hold about them or can assume based on their similarities to known users, in order to tailor their experience through any medium."

"Personalization can be anything that makes the experience feel more individual to the user, from using their name in an email right through to only showing them things on the website that their previous use or preferences indicate they are interested in seeing."

"Understanding the customer entering the site, their needs, wants and previous behaviors, changing the site content imagery and offerings based on this information, with the intent to maximize customer experience and ultimately conversion."

"We have a maturity matrix graded 1-5 with 1 being no personalization and 5 being one-to-one. Our current state is contextual content for broad audiences but we recognize the opposite end of the spectrum where targeting is one-to-one and the user is identifiable. Personalization is tiered."

7.2. Channels through which companies are personalizing

Email is the quickest personalization win for marketers. From the basics of merging personally identifiable information (PII) into an email, to tailored content and offers based on customers' site behavior and past purchases, email is an established and steadfastly relevant discipline for marketers. This means capabilities are strong, reflected in the 90% of companies who are personalizing their email marketing in 2017.

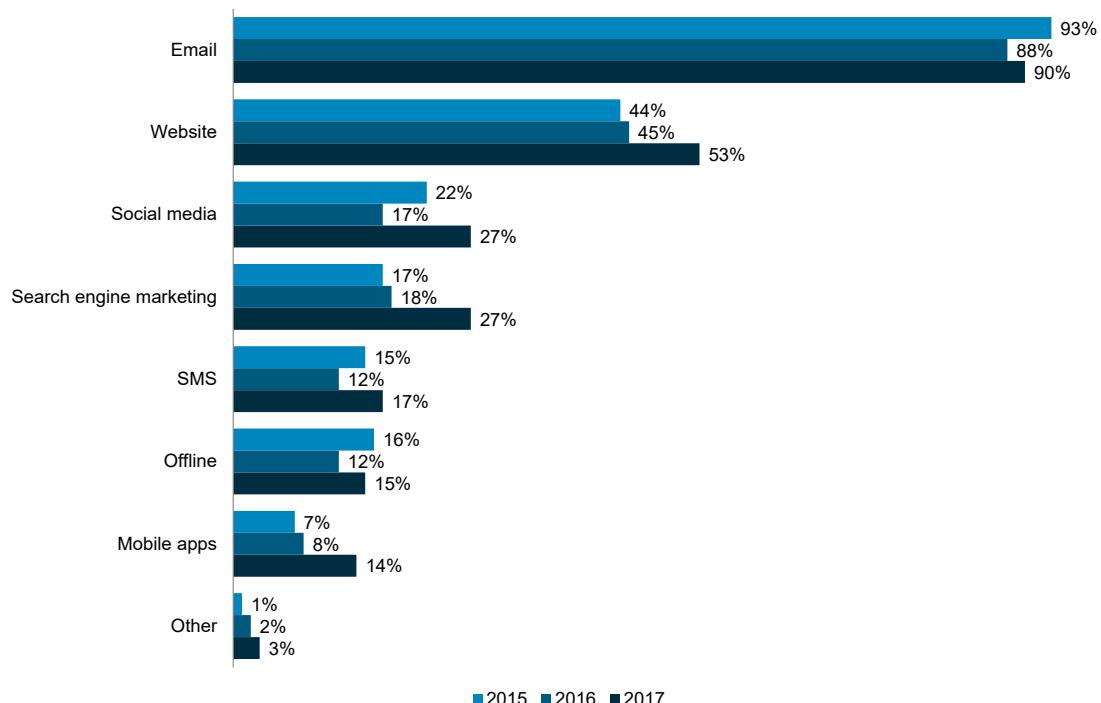
Across the spectrum of channels, 2017 has seen increases in the proportion of client-side respondents personalizing their marketing messages. Despite the difficulty associated with personalizing websites, the proportion of those doing so has increased by eight percentage points since 2016.

Social media personalization has also seen a big increase this year, up ten percentage points, and the proportion personalizing mobile apps has almost doubled. Both are channels where consumers are spending increasingly large amounts of time, and where marketers are consequently investing their efforts.

Further analysis of the data revealed that companies personalizing mobile apps are most likely to see improvements in conversion rates (78%). Despite this, only 14% of those surveyed personalize their marketing messages through this channel.

Company respondents

Figure 36: Through which channels do you personalize?

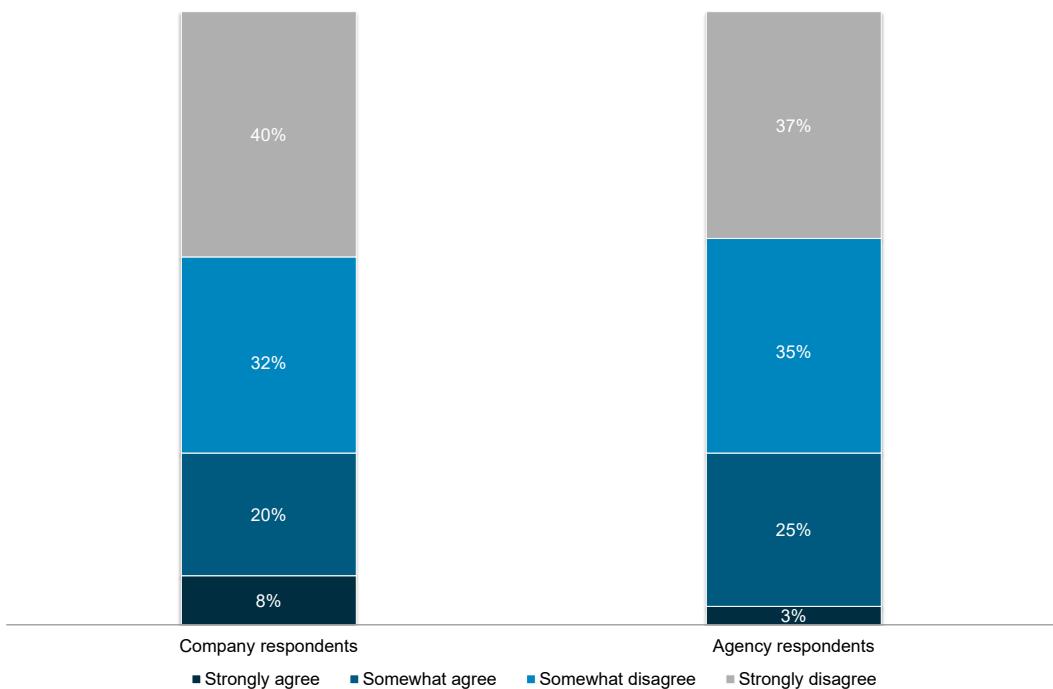


Respondents 2017: 202
2016: 252 | 2015: 269

Only 15% of marketers are personalizing their offline channels, despite 28% agreeing that they have an '*an equally strong optimization culture for offline channels as online ones*' (Figure 37). Though optimization and personalization are not one and the same, this research has shown the value that personalization can bring to conversion rate optimization, and Figure 39 reveals that the uplifts as a result of offline personalization are strong.



Figure 37: 'We / our clients have an equally strong optimization culture for our / their offline channels as our / their online ones' – agree or disagree



Note: This is a new question for the 2017 survey, so there is no trend data.

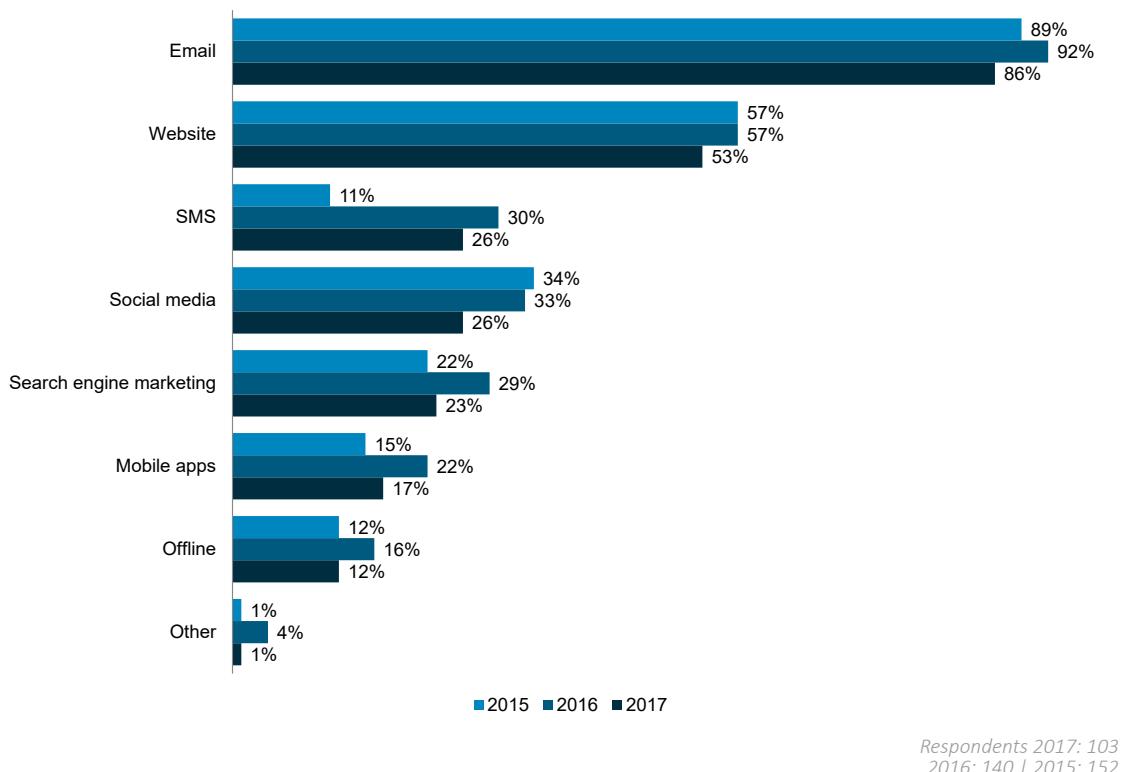
*Company respondents: 305
Agency respondents: 133*

Interestingly, the year-on-year changes seen in the client-side response are countered by the opposite change seen by agencies. Across all channels, the proportion of agencies saying their clients are using them for personalization has declined, with social, search engine marketing and mobile apps seeing the largest decreases.

A quarter of agencies claim their clients haven't experienced any uplift from personalizing mobile apps (see Figure 40), which is by far the channel with the largest proportion stating so. Personalizing mobile apps is evidently a practice that a significant proportion of agencies are not recommending to their clients.

Agency respondents

Figure 38: Through which channels do your clients typically personalize?



7.3. Impact since implementing personalization

For the 27% of marketers personalizing their search engine marketing, the results have been clear. Two in five (39%) have seen a major uplift in conversion rates, and only 7% have seen no impact. The competitive environment cultured by the growth of ecommerce means that marketers must capture the attention of consumers long before they reach the actual site. With online journeys to purchase often originating in a 'Googled' search term, winning customers through personalization is evidently an effective way to convert customers.

It's encouraging to see that personalization on all the channels featured in *Figure 39* has resulted in some level of uplift for the majority of company respondents, with over a fifth experiencing major uplifts.

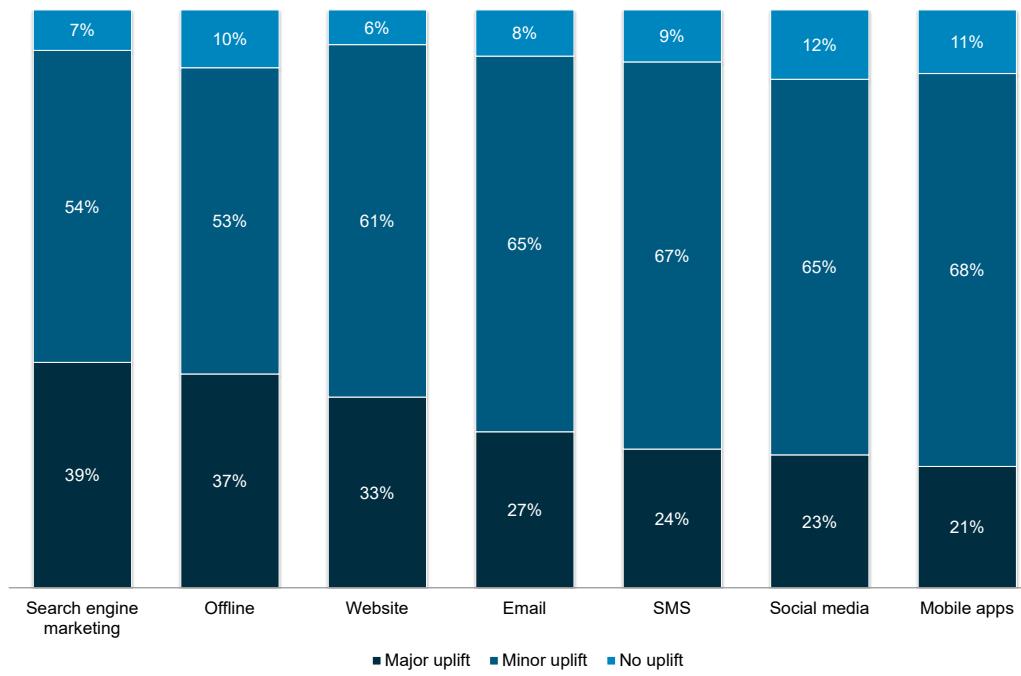
“WHAT THE EXPERTS SAY

“Personalization is often spoken about as a bit of a holy grail but, if you look at this chart, it provides only a minor uplift (or less) for more than 50% of those who have implemented it. In other words: if this is very tough to do, and there are *still* other options you have to make use of usability testing, customer journey analysis, customer feedback gathering, it may be better to put your effort into those first.”

Dan Barker, Independent Consultant

Company respondents

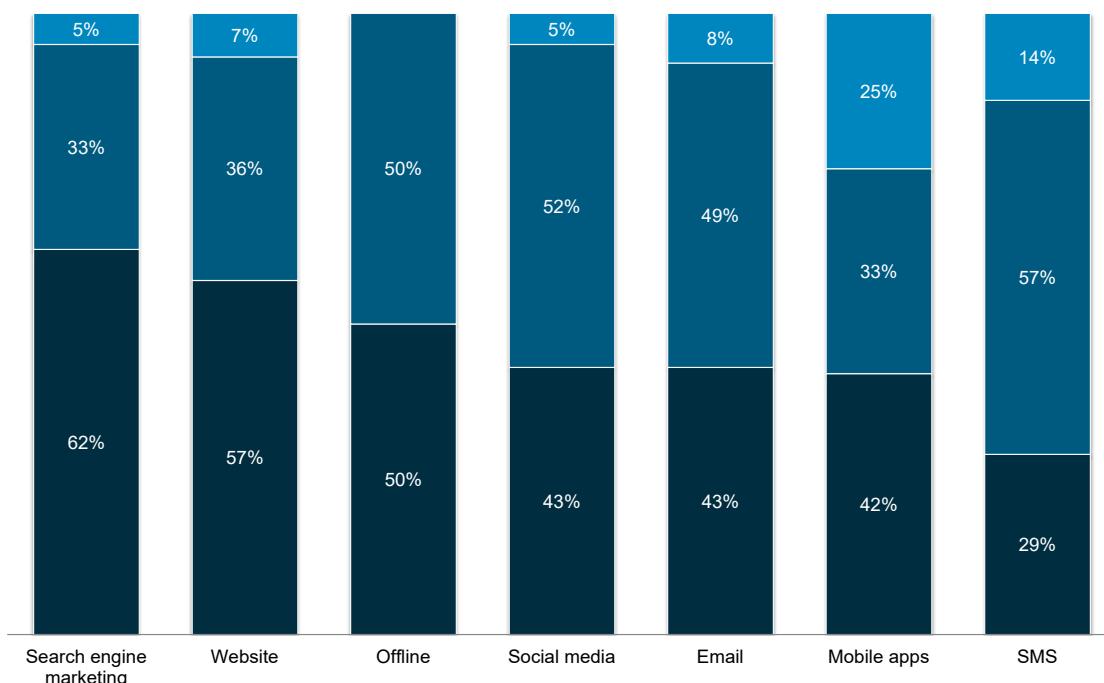
Figure 39: Have you experienced an uplift in conversion rates through any of these channels since implementing personalization?



Respondents: 172

Agency respondents

Figure 40: Have your clients experienced an uplift in conversion rates through any of these channels since implementing personalization?



Respondents: 88

SURVEY RESPONDENTS



Do you have any examples of how you (or your clients) are personalizing the experience by joining up online and offline?

"Direct mail synced with relevant email and social activity."

"Our offline direct mail campaigns are personalized in line with our email campaigns to ensure we push the same messages as part of an integrated approach."

"Only through email marketing – we have no CRM which is a huge barrier for us in personalizing customer experiences."

"The click and collect system shows the store what the customer has ordered and offers items to upsell in store when the customer collects."

"In-store access to single customer view records."

"In-store loyalty card provides insights for email and SMS communication."

"We're utilizing email and website visit data to provide 'hot' leads to stores to call."

"Data collected at the store is added to the database of website users and regular emails go out. However, customers who have bought from the store get store-related mails and online cross-selling as well."

"We are in the very early stages of putting building blocks in place to allow more personalization across digital channels. Email is the only touchpoint where we currently offer personalization."

"Our clients aren't anywhere near as sophisticated as they should be and lean heavily on agencies to come up with the ideas for them. A typical solution may involve a tailored, considered direct mail piece with a personalized URL (PURL)... it's more effective than sending blanket stuff, but still nowhere near as much as they should be doing."



7.4. Areas of the website being personalized

Just over half (53%) of respondents are personalizing their website this year, and a third of this group have seen major uplifts in conversion rates since doing so. Only 6% claim to see no uplift from website personalization.

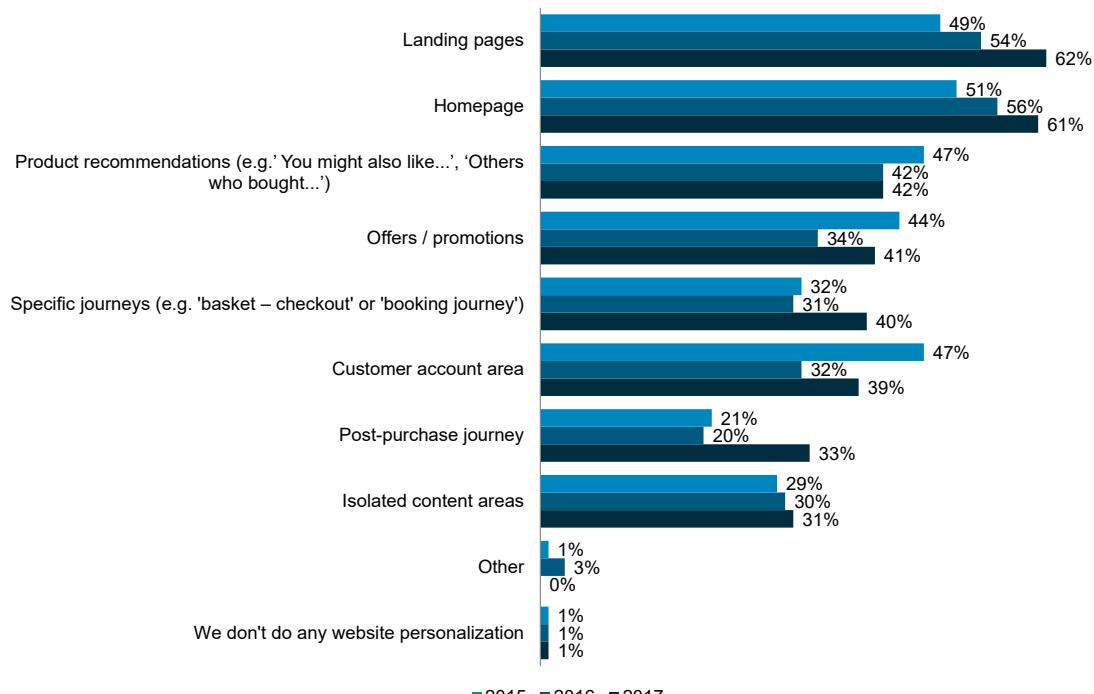
Those carrying out website personalization have evidently improved their capabilities over the last year, with *Figure 41* showing all areas of the website being personalized by an increased or equal proportion of respondents compared to last year. The biggest increases are for personalization of the post-purchase journey (up 13 percentage points) and specific journeys (up nine percentage points).

The latter is one of the two areas where agencies agree there has been an increase in personalization: up from 56% to 59% this year. Though there have been drops in the proportion of agency clients personalizing many areas of their websites, a higher proportion are personalizing the majority of website areas. This is likely a result of agencies seeing the value of doing so and pushing their clients to prioritize it.

Personalization of landing pages comes out top for both companies and agencies, whereas personalization of the homepage appears to only be a key area for companies; 61% are personalizing their homepages versus only 39% of agency clients, a drop of nine percentage points since last year.

Company respondents

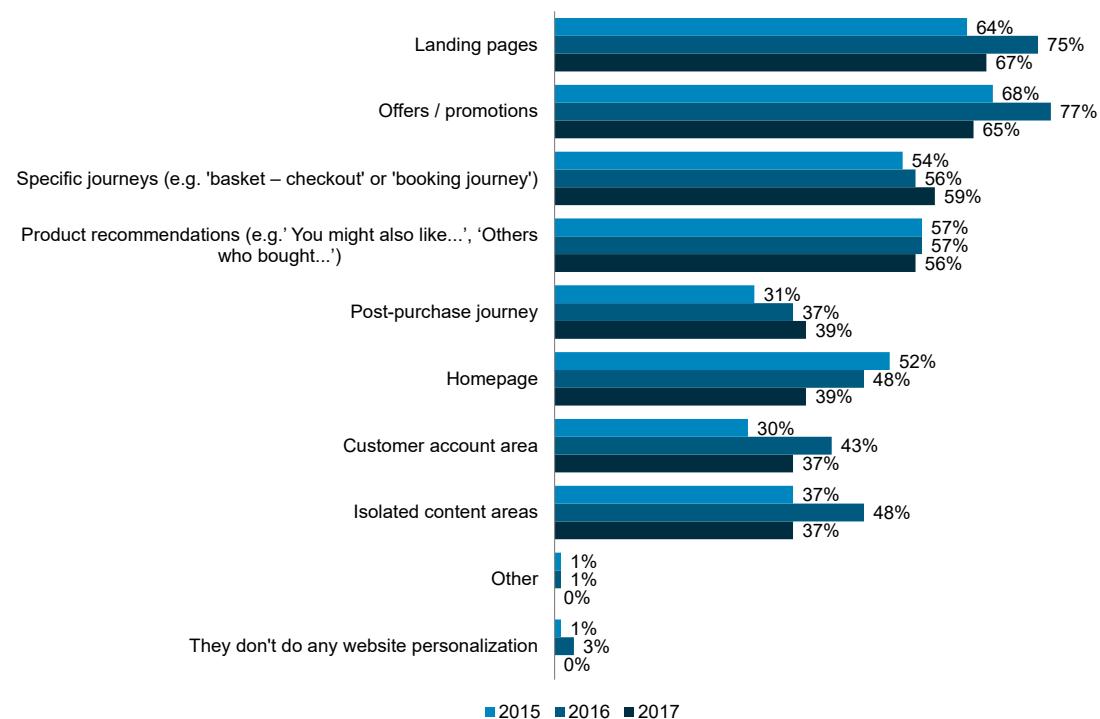
Figure 41: What areas of your website do you personalize?



Respondents 2017: 99
2016: 108 | 2015: 108

Agency respondents

Figure 42: What areas of their website do your clients typically personalize?



Respondents 2017: 54
2016: 75 | 2015: 81

7.5. Use of data in website personalization

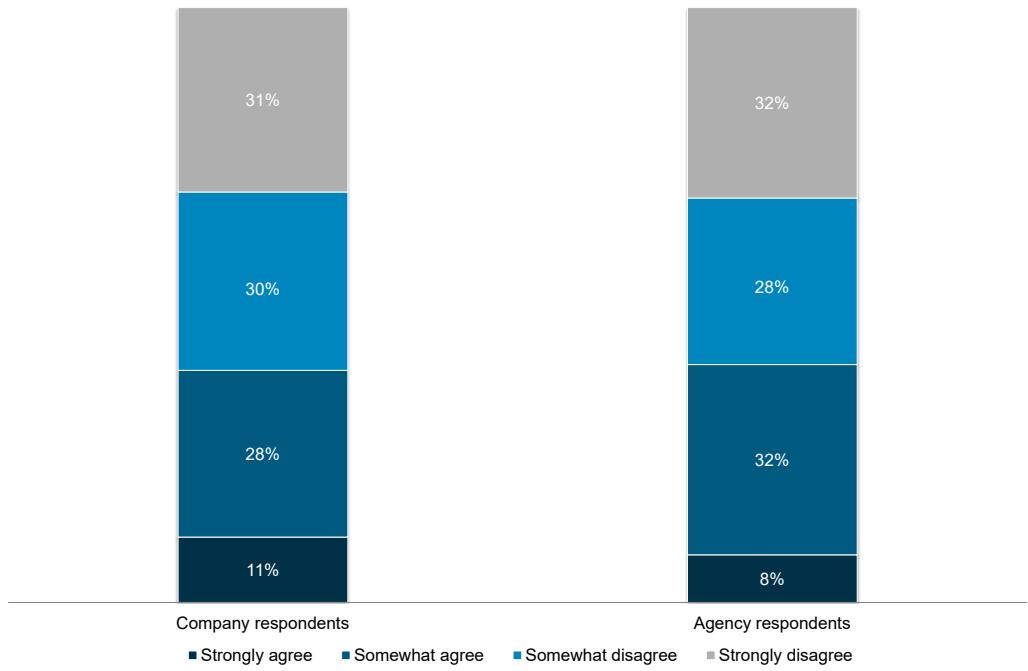
We asked respondents to what extent they agreed that they are as data-driven in offline channels as they are online: 39% agreed but a similar proportion (31%) 'strongly' disagreed (*Figure 43*). This response is supported by *Figure 44* which shows that almost half of respondents don't have a strategy for collecting data which can later be used for personalization.

Agencies are more likely to say that their clients have a defined strategy for data collection (63%), with the proportion of those saying that's the case steadily increasing each year (*Figure 45*).



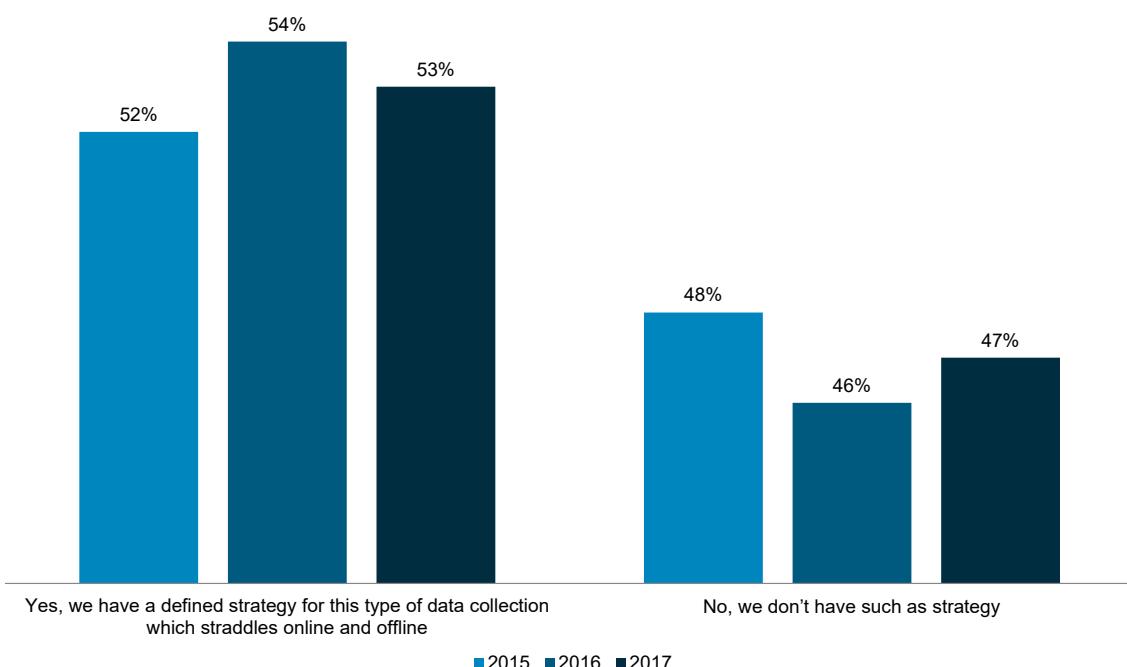
TWO IN FIVE COMPANIES
ARE AS DATA-DRIVEN IN
OFFLINE CHANNELS AS
THEY ARE ONLINE

Figure 43: 'We / our clients are as data-driven in offline channels as we / they are online' – agree or disagree



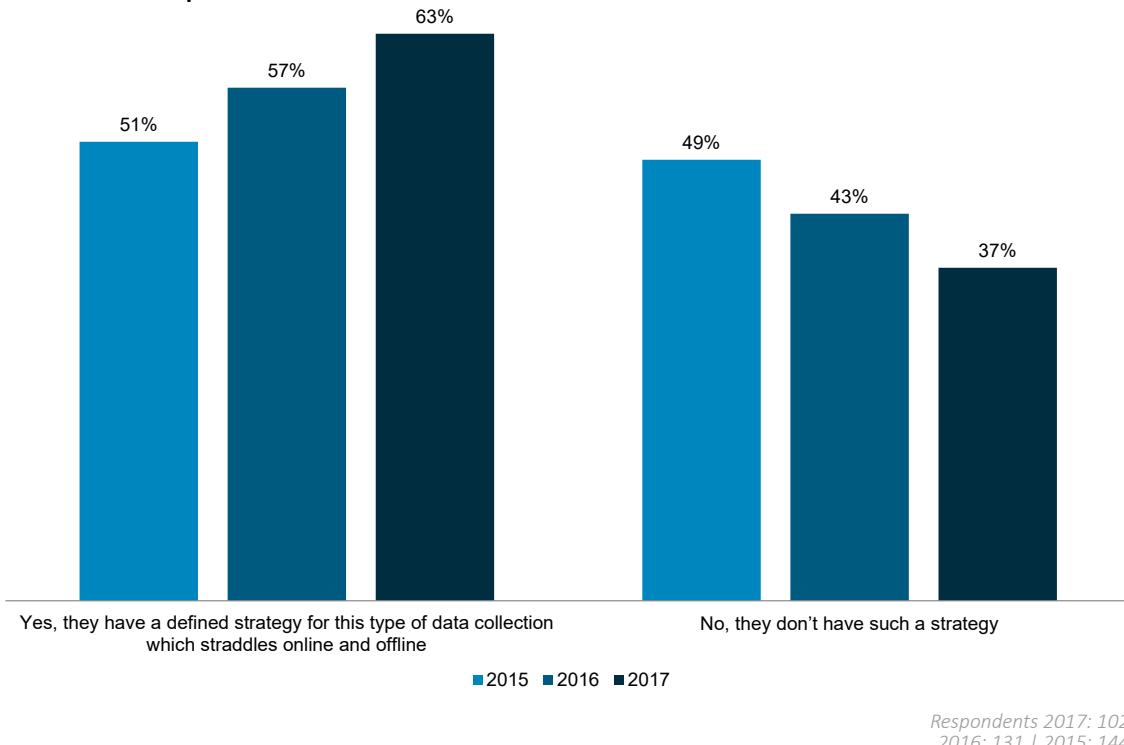
Company respondents

Figure 44: Do you have a defined strategy or process for collecting customer data which can later be used for personalization?



Agency respondents

Figure 45: Do your clients have a defined strategy or process for collecting customer data which can later be used for personalization?



Respondents 2017: 102
2016: 131 | 2015: 144



WHAT THE EXPERTS SAY

“Only around half of companies have a defined process for collecting customer data for later personalization. I’d suspect with GDPR regulations coming up, gathering customer data is likely to be a big topic over the next year. Businesses not doing a great job of collecting personal data could therefore use this as an opportunity to sort things out and push towards personalization.”

Dan Barker, Independent Consultant

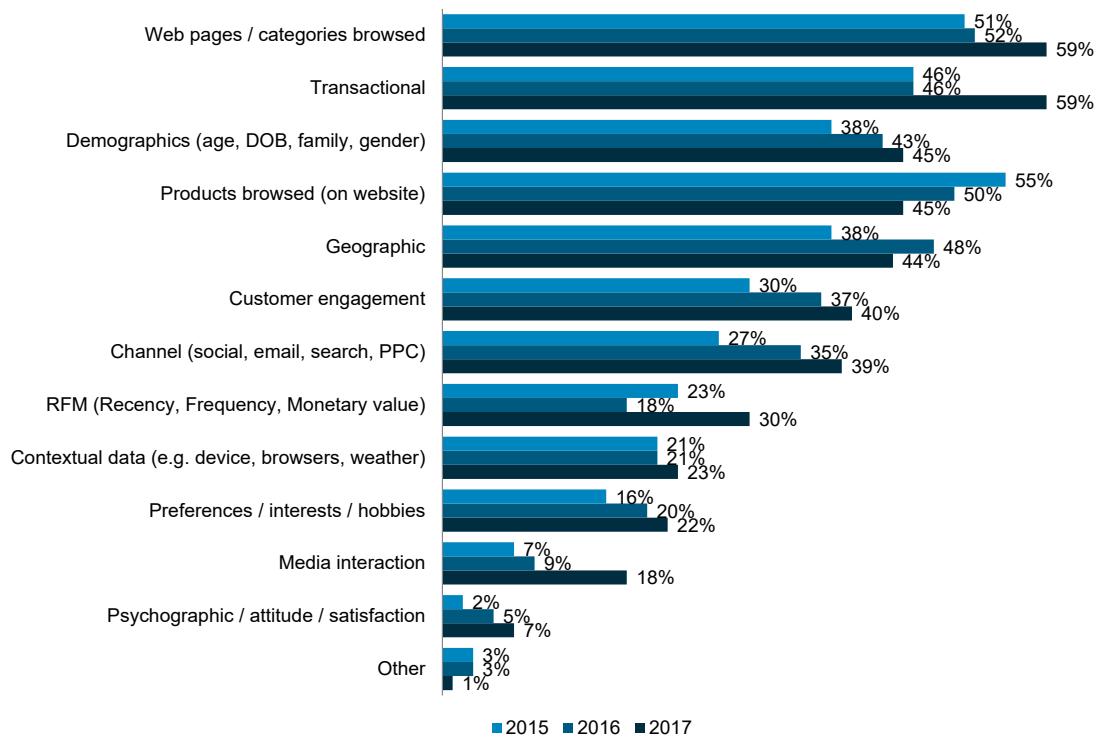
Content personalization is mainly being done using *browsing* and *transactional data*, with both increasing in use since last year's survey (Figure 46). These are followed in popularity by *demographic* and *geographic* data. These are arguably the simplest datasets on which to base content personalization, without relying on complex data manipulation and segment creation with a higher potential for error. Used by fewer companies but seeing significant increases this year are *RFM* and *media interaction*; the latter has doubled in use over the past 12 months.

Least likely to be used is *psychographic/attitude/satisfaction* data; this is somewhat unsurprising when taking into consideration that these datasets are more time-consuming to collect and utilize effectively.

Figure 47 indicates that agency clients are using a wider range of data to personalize their website content.

Company respondents

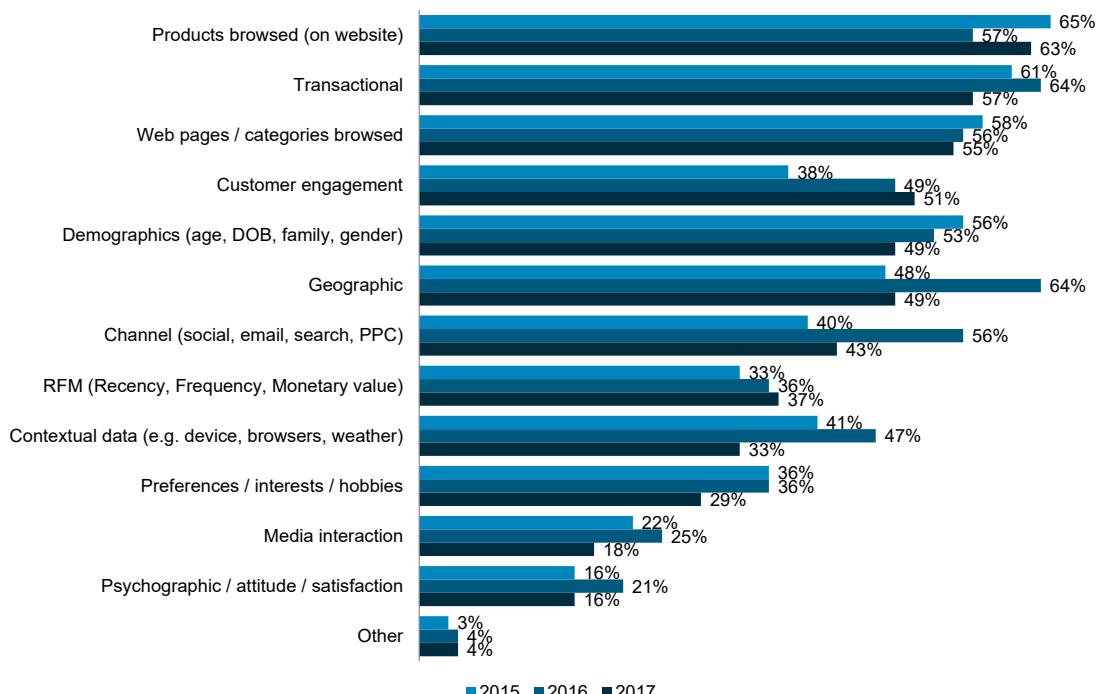
Figure 46: Which of the following data do you use to personalize your website content?



Respondents 2017: 97
2016: 104 | 2015: 105

Agency respondents

Figure 47: Which of the following data do your clients use to personalize their website content?



Respondents 2017: 51
2016: 75 | 2015: 81

7.6. Ideas for website personalization

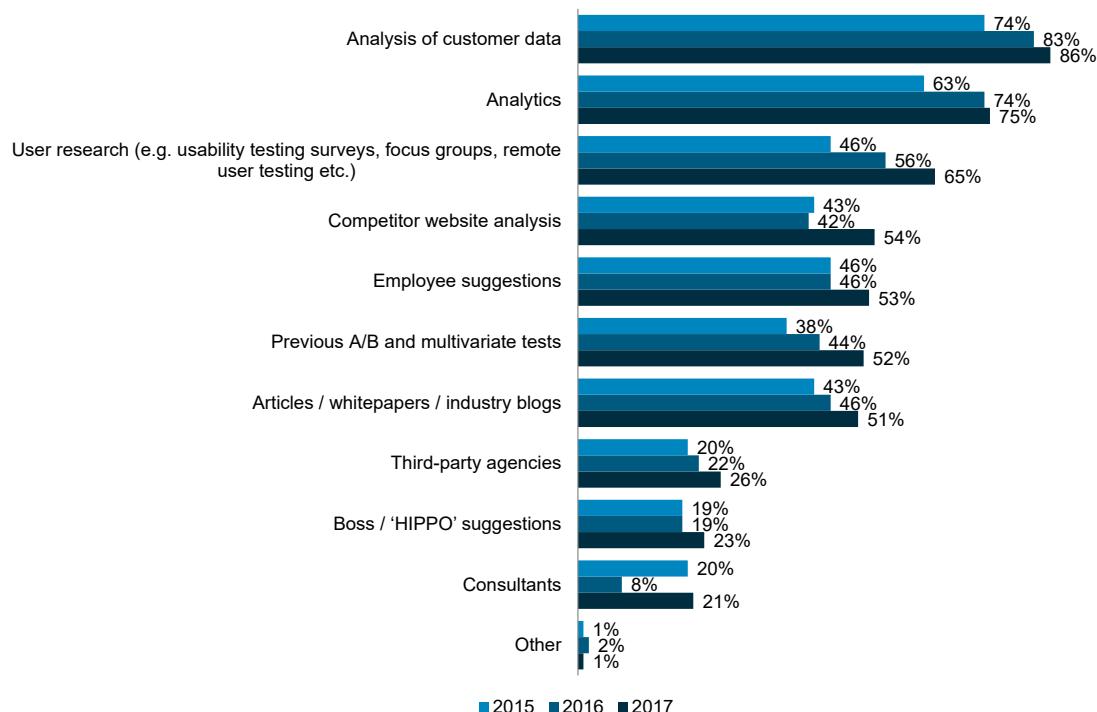
Over the three years that we have asked respondents where they get their ideas for website personalization, the range of sources has steadily increased. For those still needing to improve their capabilities, *Figure 48* provides a good point of reference for where to look for inspiration.

The results show that *third-party agencies, boss / 'HIPPO' suggestions and consultants* continue to have the lowest influence on inspiration for personalization. Unsurprisingly, consultants are used by more agency clients (*Figure 49*), to the detriment of *employee suggestions*. This makes sense as agency clients are likely to be those seeking expert help with CRO techniques.



Company respondents

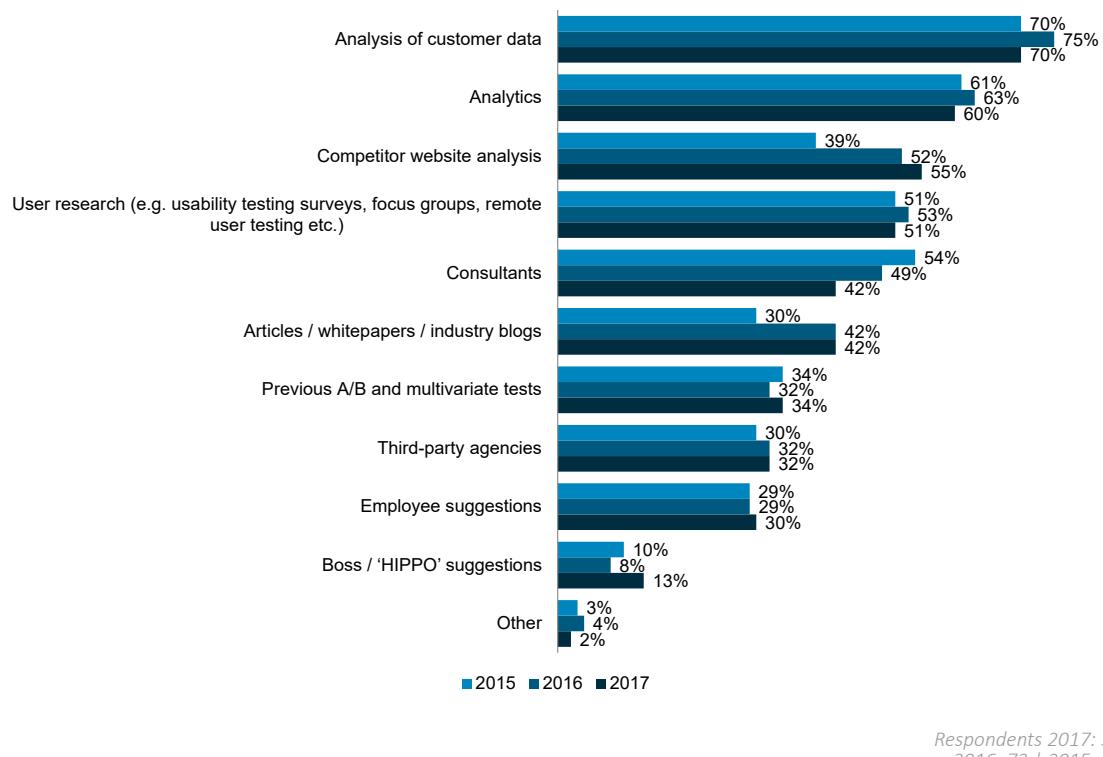
Figure 48: Where do you get your ideas for website personalization?



Respondents 2017: 95
2016: 106 | 2015: 106

Agency respondents

Figure 49: Where do your clients typically get their ideas for website personalization?



Respondents 2017: 53
2016: 73 | 2015: 79

7.7. Technology used for website personalization

On the client side, *A/B or multivariate testing tools* are most popular for implementing website personalization. *Off-the-shelf personalization tools* have not increased in use since 2014, despite a proliferation of tools and great improvements in personalization technology. Using specific personalization tools is clearly not popular with agencies either, as only 17% said their clients are using them this year (down from 34% in 2016).

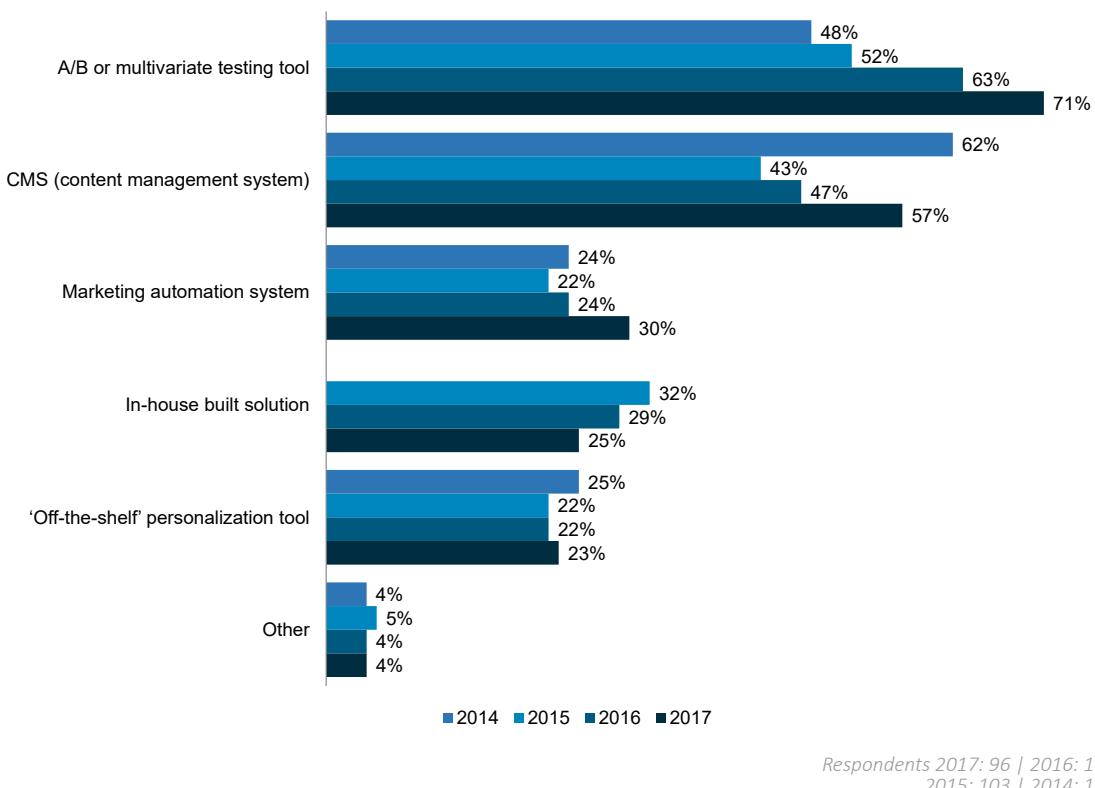
Conversely, the use of *marketing automation systems* for personalization is a strategy that appears to be supported by an increasing number of agencies, with the proportion of those saying their clients use them up eight percentage points (from 41% in 2016 to 49% this year).



LESS THAN A QUARTER
USE OFF-THE-SHELF
PERSONALIZATION TOOLS

Company respondents

Figure 50: What technology are you using to implement website personalization?



Respondents 2017: 96 | 2016: 102
2015: 103 | 2014: 106



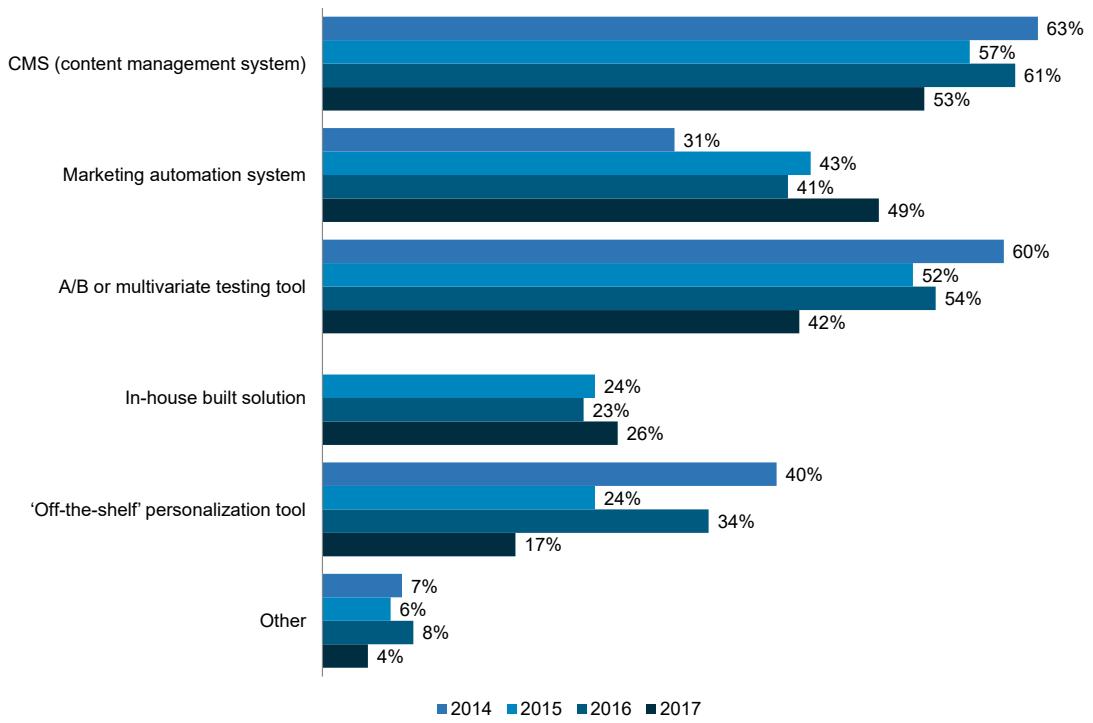
WHAT THE EXPERTS SAY

"An interesting view on tools used for personalization from the data echoes my own experiences going way back wherein we'd use our A/B testing tool to personalize the experience and 'pin' winners to the site, instead of creating pages or experiences through our content management system. The latter was generally deemed too expensive to call in the tech guys and so marketing retained higher control of the experience by being able to manipulate the user experience using third-party tools. Whilst it was great for the marketing team, it didn't come without its pitfalls, in some cases paying for extra impressions for the additional functionality or a break in the user experience where a variant of a test might appear a few milliseconds after the initial page loaded, having a poor impact on the brand."

Depesh Mandalia, Founder and CEO, SM Commerce

Agency respondents

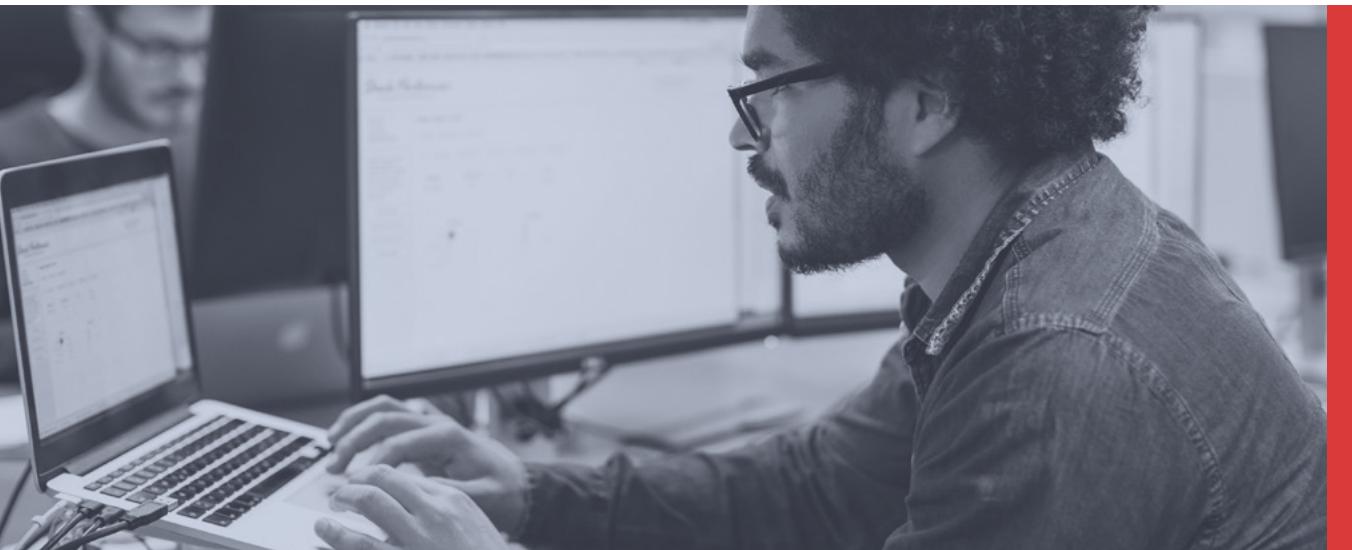
Figure 51: What technology are your clients using to implement website personalization?



Respondents 2017: 53 | 2016: 71
2015: 79 | 2014: 83

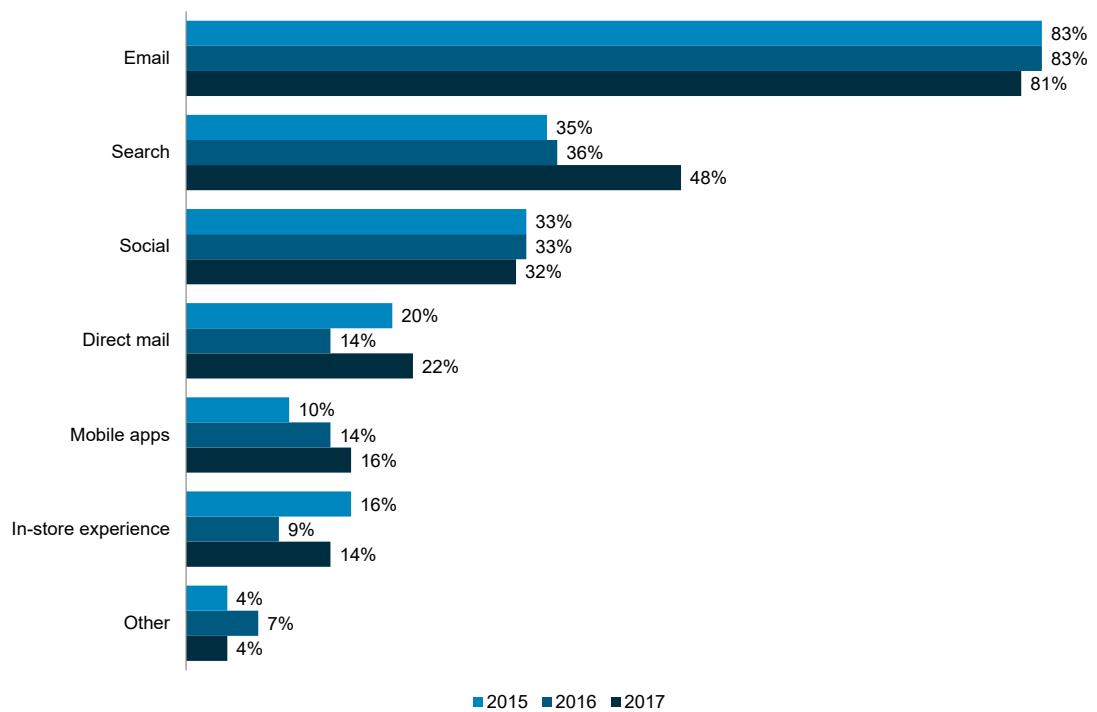
The vast majority of respondents align their website personalization with *email*, and this has been the case since 2015 (Figure 52). *Search* has jumped in popularity this year; 48% are now aligning their website personalization with search, compared to only 33% of agency clients (Figure 53). *Direct mail* has seen a similar jump this year (up eight percentage points), and likewise *mobile apps* and the *in-store experience* are being aligned with personalization in a higher proportion of companies than last year.

Unusually, *search*, *social* and *direct mail* are being aligned with personalization by fewer agency clients than companies themselves indicate, in a change since last year. The results indicate that agencies are seeing less of an alignment with website personalization across all channels aside from *email* this year.



Company respondents

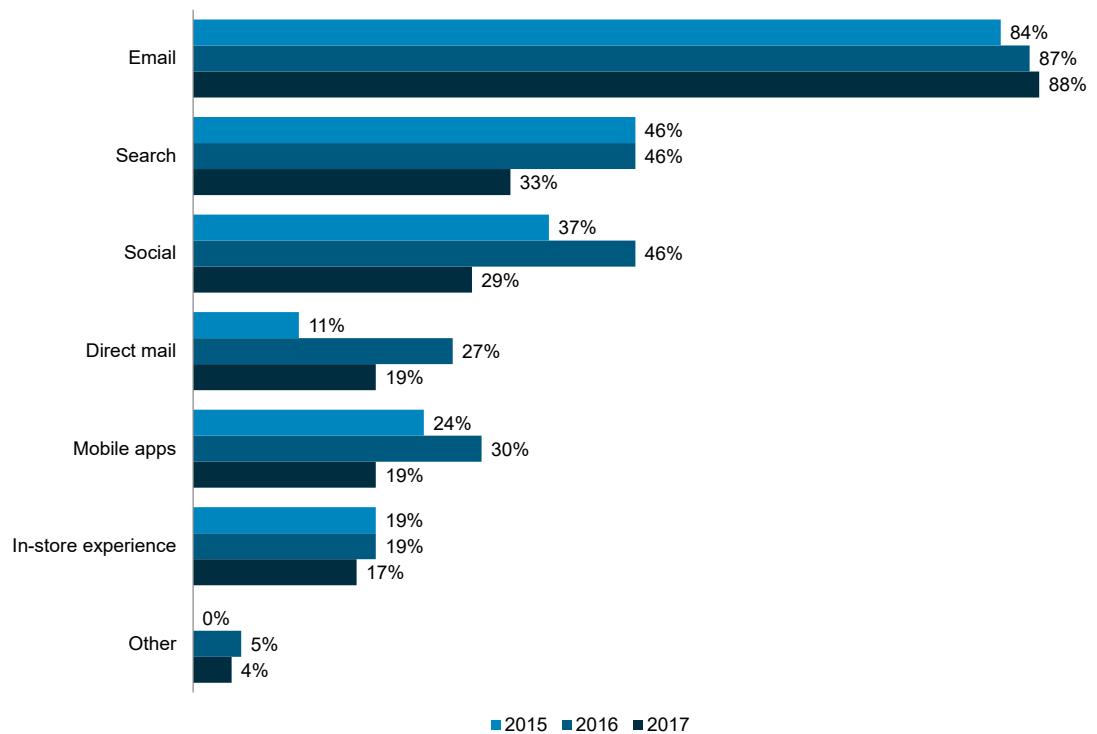
Figure 52: Do you align your website personalization with any of the following channels?



Respondents 2017: 81
2016: 76 | 2015: 77

Agency respondents

Figure 53: Do your clients align their website personalization with any of the following channels?



Respondents 2017: 52
2016: 63 | 2015: 63

8. INVESTMENT, PEOPLE AND PROCESSES

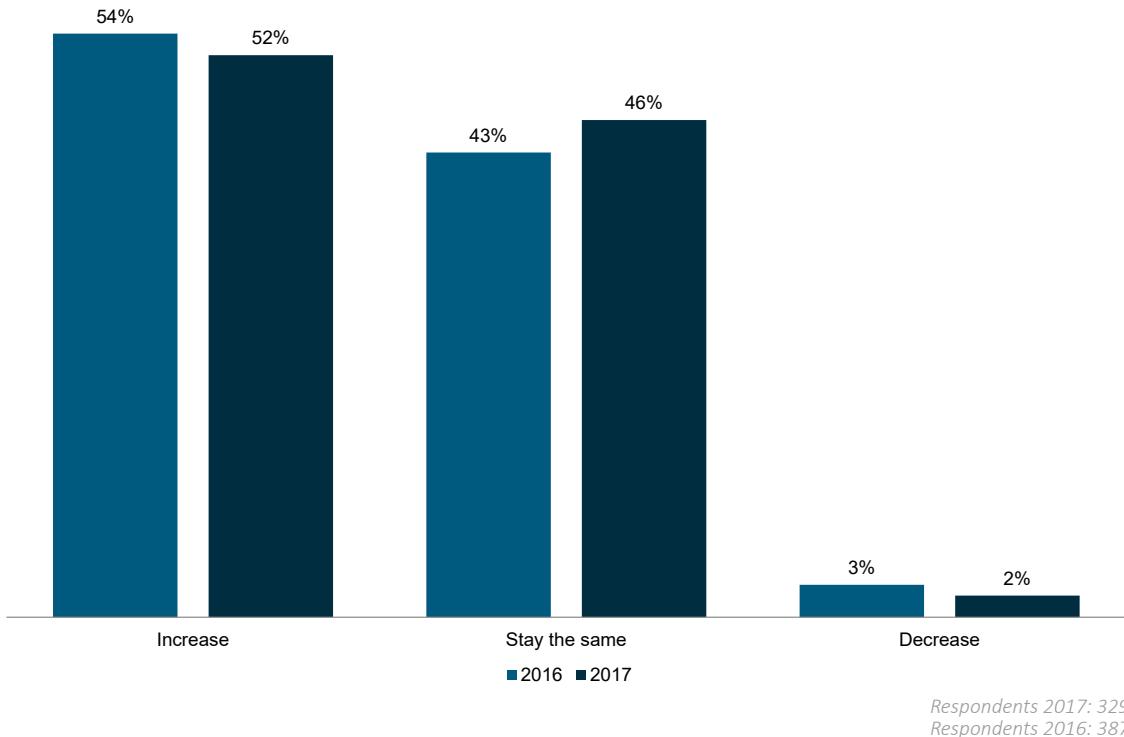
8.1. Budgets for conversion rate optimization

Budget plans for CRO reflect the importance of the discipline to marketing strategies discussed in *Section 4.1*; half of companies see CRO as crucial, and more than half (52%) will increase their budgets this year (*Figure 54*). This is matched by the agency response, with 56% saying their clients will increase their CRO budgets this year (*Figure 55*).

For the majority that are increasing budgets, this is positive news as the two major factors preventing organizations from improving conversion rates are resources and budget (barriers are explored in more detail in *Section 8.6*). These ever-present factors will continue to be a hurdle for the vast majority of marketers as there simply can't be an endless budget for every channel, tool and technique. *Figure 54* does show that CRO remains a focus for all but 2%.

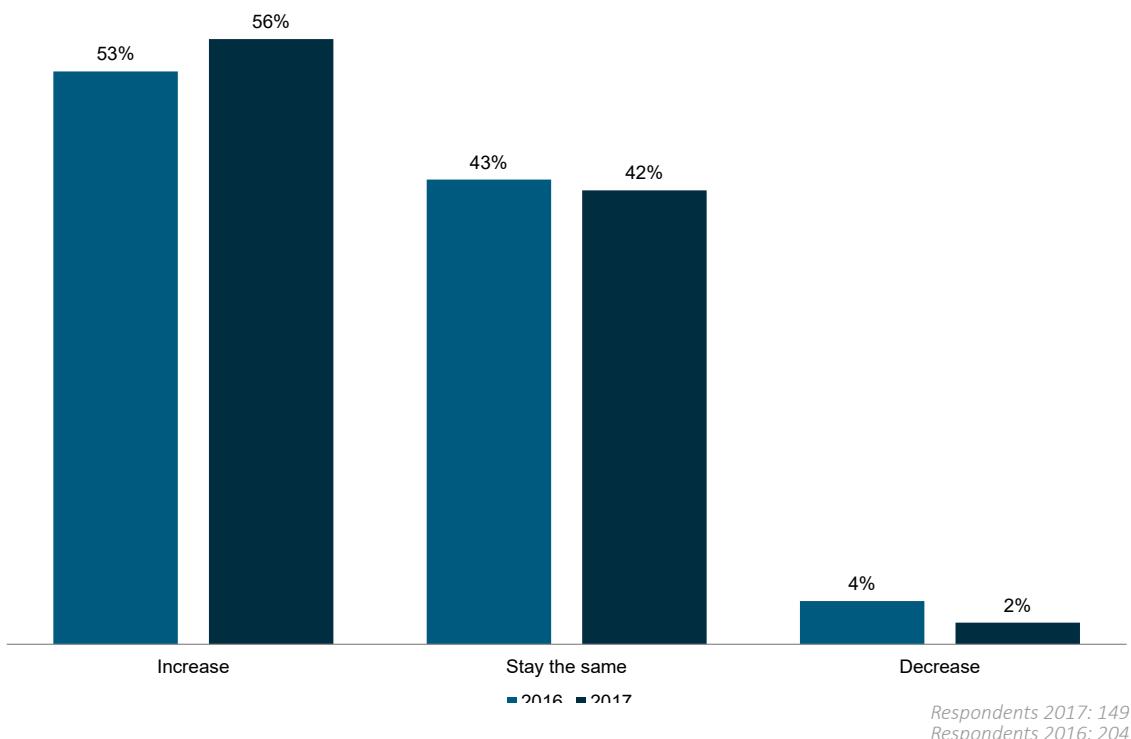
Company respondents

Figure 54: How will your organization's budget for conversion rate optimization change over the coming year?



Agency respondents

Figure 55: How will your clients' budget for conversion rate optimization change over the coming year?



Of those planning to increase their CRO budgets, nearly three-quarters plan to do so by up to 30%, with the proportion of those planning to increase budgets by up to 10% increasing by 23% (Figure 56). Compared to last year, the proportion of companies predicting increases of over 30% has declined slightly (26% versus 28% in 2016).

The average increase expected by companies is 27%, slightly down on last year's 29% average. Agencies expect their clients to increase their budgets by an equal average of 27%, which is four percentage points up on last year.

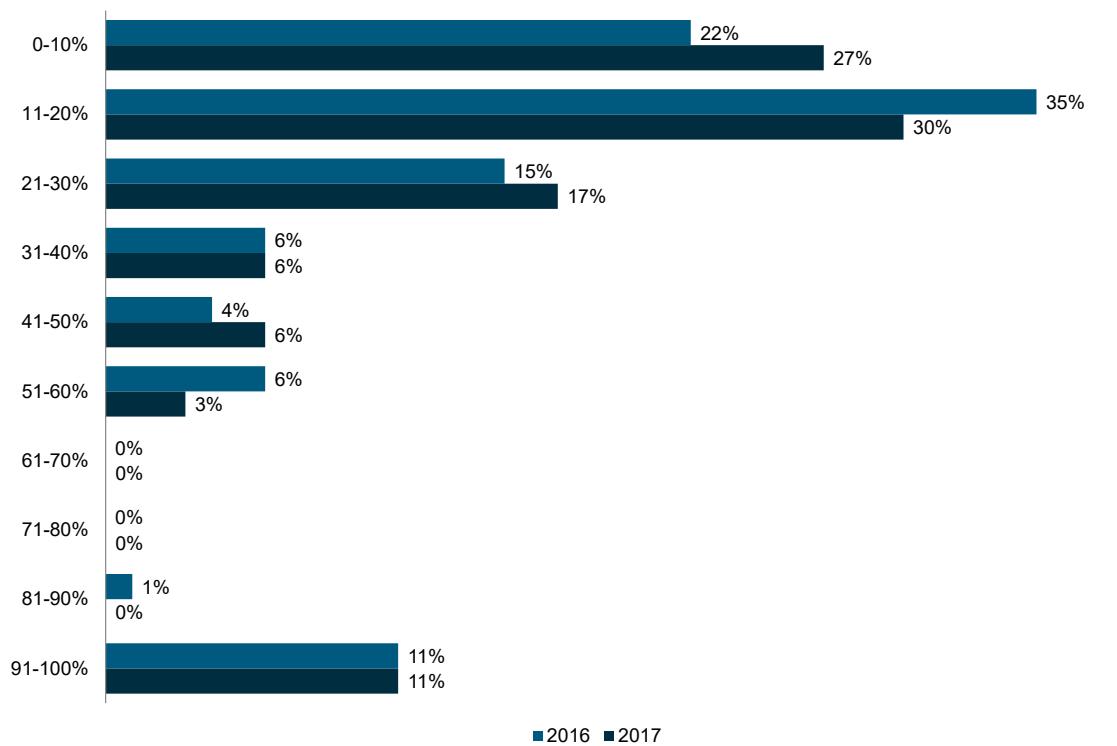
Figure 57 shows a significant drop in the proportion of agencies expecting client budgets to increase by up to 10%, while the proportion of those expecting to see increases of over 40% has gone up by 67%.



ONLY 2% OF THOSE SURVEYED PLAN TO DECREASE THEIR CRO BUDGETS OVER THE COMING YEAR

Company respondents

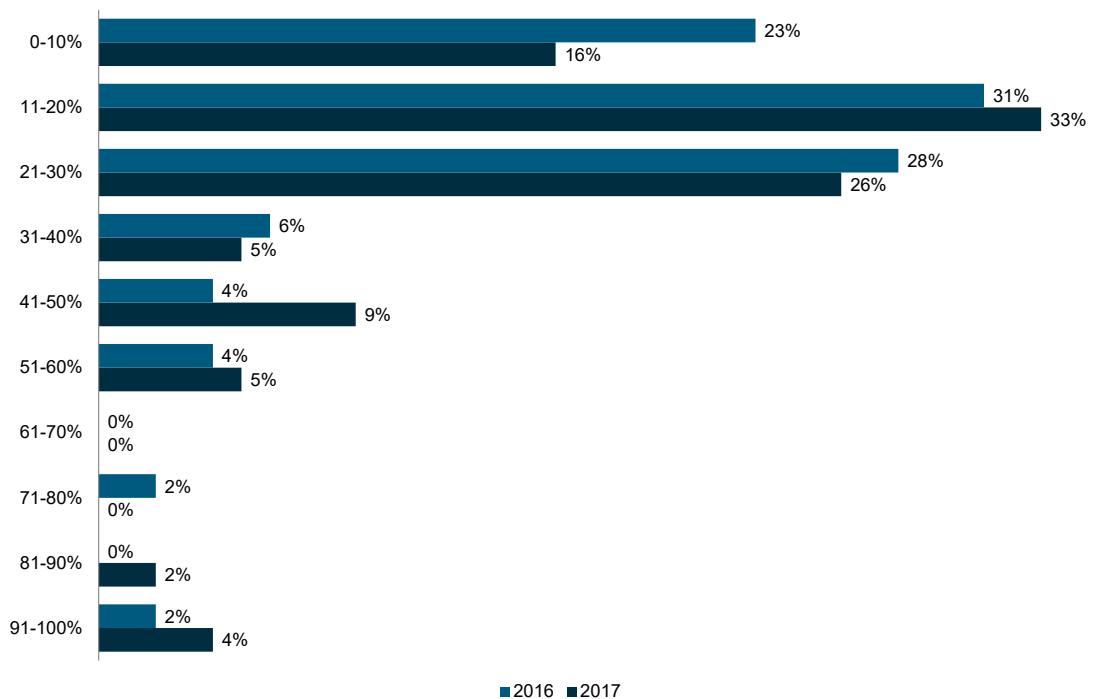
Figure 56: By how much do you expect your organization's budget for conversion rate optimization to increase?



Respondents 2017: 146
Respondents 2016: 179

Agency respondents

Figure 57: By how much do you expect your clients' budget for conversion rate optimization to increase?



Respondents 2017: 64
Respondents 2016: 96

8.2. Staff responsible for improving conversion rates

The methods used for improving conversion rates discussed in *Section 5* require differing skills and expertise, whether executed in-house or externally.

The extensive scope of methods and tests available means that CRO can be a continual and full-time job. In 2009, companies were likely to have one person at the most filling this role. *Figure 58* shows how the scope of the role has changed in the intervening years, meaning companies are now more likely to have a team in place than one individual. The proportion with no-one directly responsible for CRO has dropped over the same period, from 40% to 25%.

Taking into consideration that 88% of companies consider CRO to be important or crucial to their marketing strategy (*Section 4.1*), 25% could still seem a large proportion. However, differing company structures and the wide range of digital disciplines that are impacted by CRO could mean that CRO is a part of many roles rather than the overall direct responsibility of one individual.

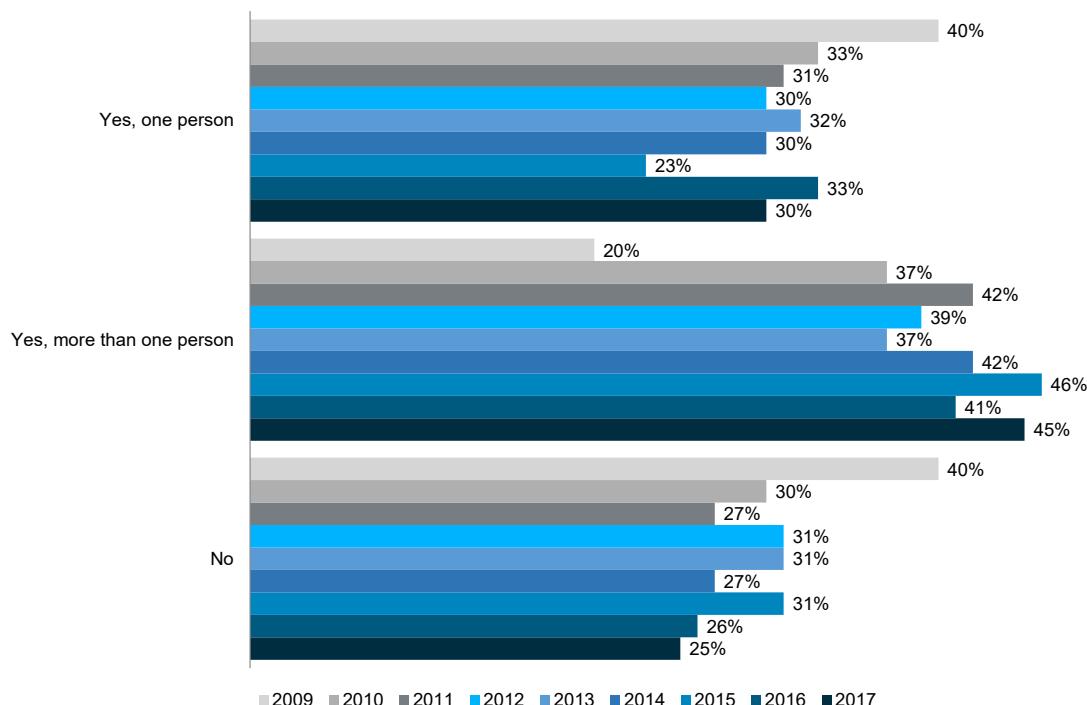
Figure 59 illustrates this, with the responsibility for improving conversion rates spread across a range of different functions among companies. *Marketing* is most likely to take responsibility (63%), followed by *digital* (53%).

Further analysis of the data revealed that improvements in and satisfaction with conversion rates are more likely to be seen when responsibility for CRO sits within the analytics/ business intelligence or ecommerce functions.

75% OF COMPANIES HAVE AT LEAST ONE PERSON RESPONSIBLE FOR CRO

Company respondents

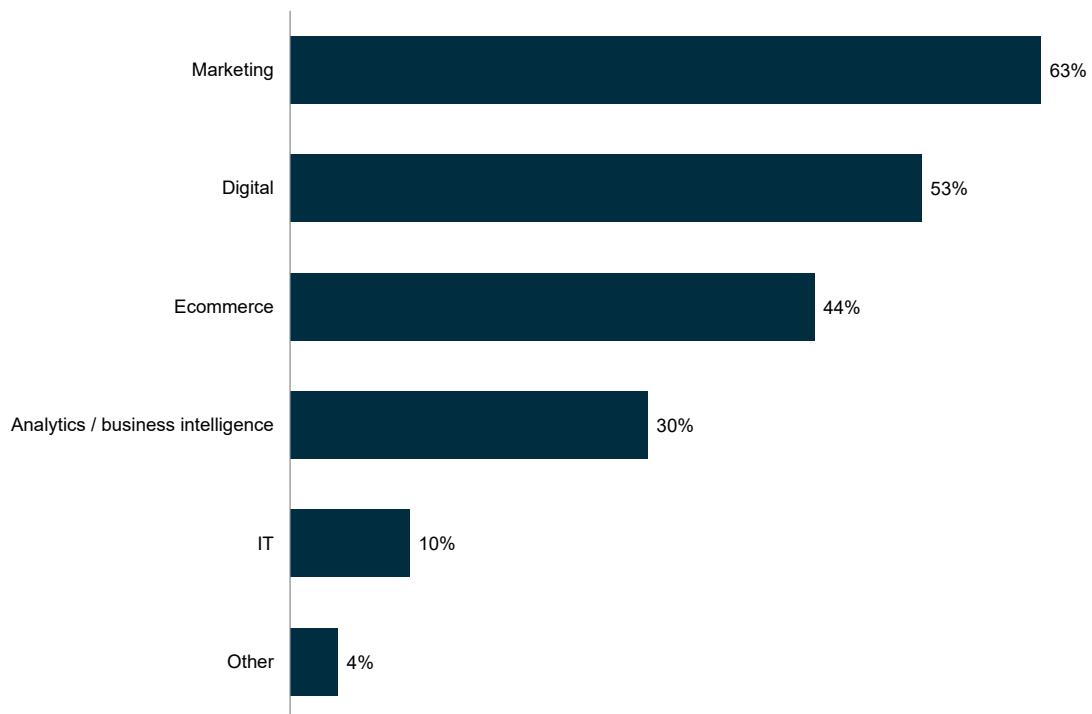
Figure 58: Do you have anyone in your organization who is directly responsible for improving conversion rates?



Respondents 2017: 328 | 2016: 387 | 2015: 375
2014: 457 | 2013: 316 | 2012: 334 | 2011: 304 | 2010: 283 | 2009: 272

Company respondents

Figure 59: In your organization, which function has responsibility for improving conversion rates?



Note: This is a new question for the 2017 survey, so there is no trend data.

Respondents: 239

We have broken down the results by level of performance, comparing top-performing companies (defined as those whose conversion rates improved over the last 12 months *and* who are satisfied with their conversion rates) with the rest of the sample in order to identify the attributes and characteristics that are correlated with success.

As seen in *Figure 60*, the vast majority (87%) of top-performing companies have at least one person responsible for improving conversion rates. Additionally, they are more than twice as likely as the mainstream to have a dedicated team in place (51% versus 25%).

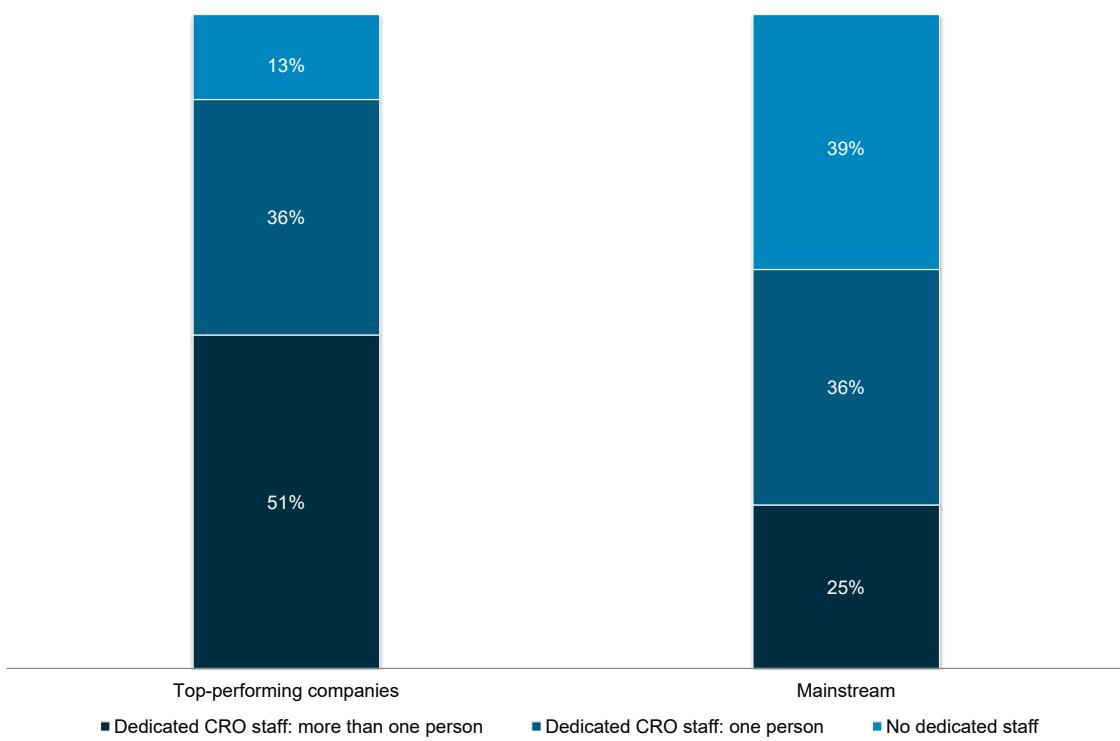
Mainstream companies are three times more likely than their top-performing peers to have no staff dedicated to CRO efforts.





**TOP-PERFORMING
COMPANIES ARE MORE THAN
TWICE AS LIKELY AS THE
MAINSTREAM TO HAVE A
DEDICATED CRO TEAM IN
PLACE**

Company respondents – top-performing companies versus mainstream
Figure 60: Dedicated staff by level of performance



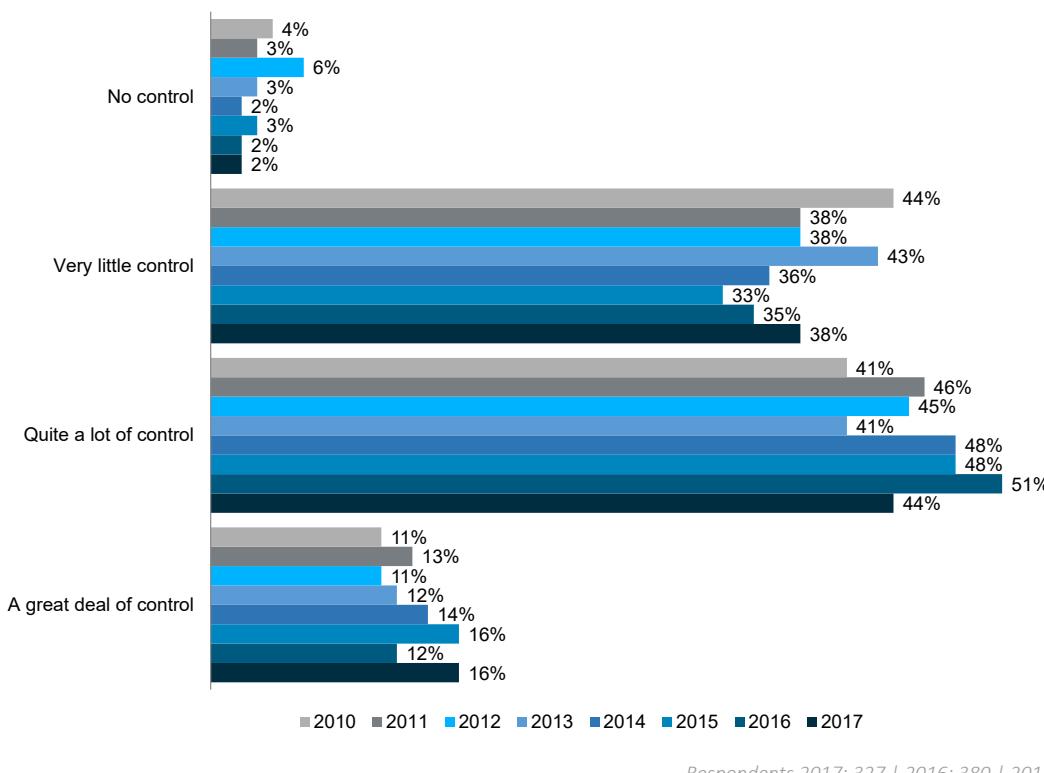
Respondents: 328

8.3. Perceived control over conversion rates

Though the majority of those surveyed feel they have control over their conversion rates, a full 40% have little confidence in their control; a proportion which has seen little improvement since 2011. This could be a function of the fact that CRO has increased in complexity over the years as a result of channel and device proliferation and diversification.

Company respondents

Figure 61: How much control do you feel your organization has over conversion rates?



WHAT THE EXPERTS SAY

"I'm always surprised by the answer to this question. If a company has a 'great deal of control' over conversion rates, why wouldn't they simply push it up to the point where they can no longer control the upward trend? The answer is that while conversion is important, it is not the be-all and end-all. For example: an easy way to control conversion rate is by altering pricing. There is therefore a trade-off between pricing at a point where you're converting well, and pricing too low to the point you're damaging profitability. While trying to reach for higher conversion rates, it's important to remember that it should not actually be the overall end goal for most companies."

Dan Barker, Independent Consultant

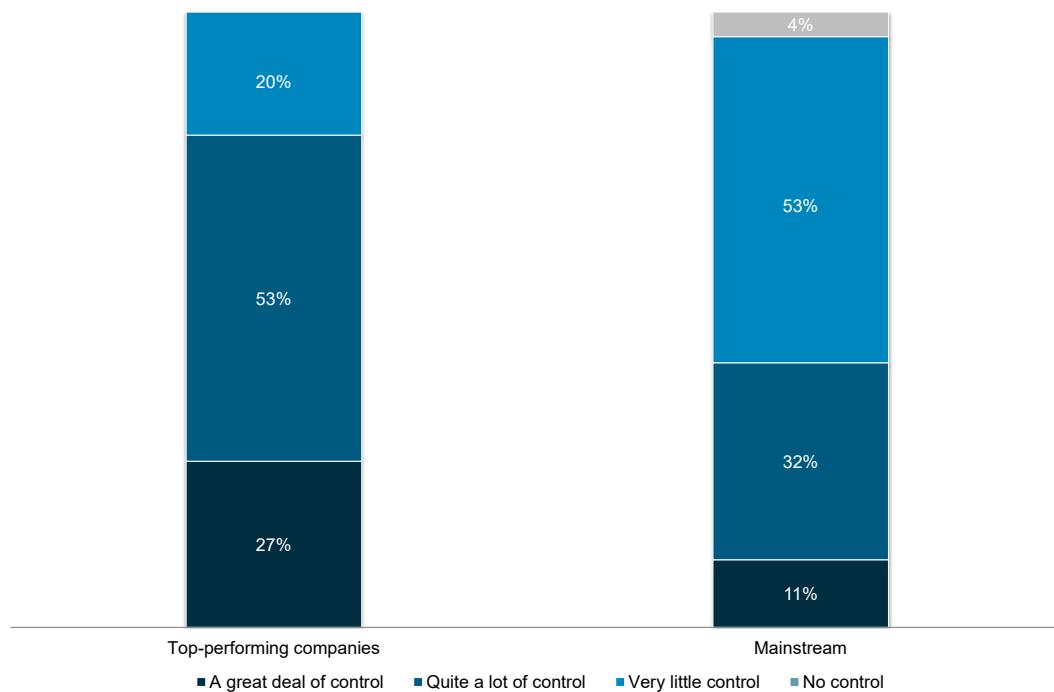


Figure 62 shows that eight in ten top-performing companies have 'a great deal' or 'quite a lot' of control over their conversion rates, compared to only two-fifths (43%) of the mainstream. None of the top-performing companies surveyed say they have no control.

TWO IN FIVE COMPANIES HAVE VERY LITTLE OR NO CONTROL OVER CONVERSION RATES

Company respondents – top-performing companies versus mainstream

Figure 62: Organizational control over conversion rates by level of performance



Respondents: 327

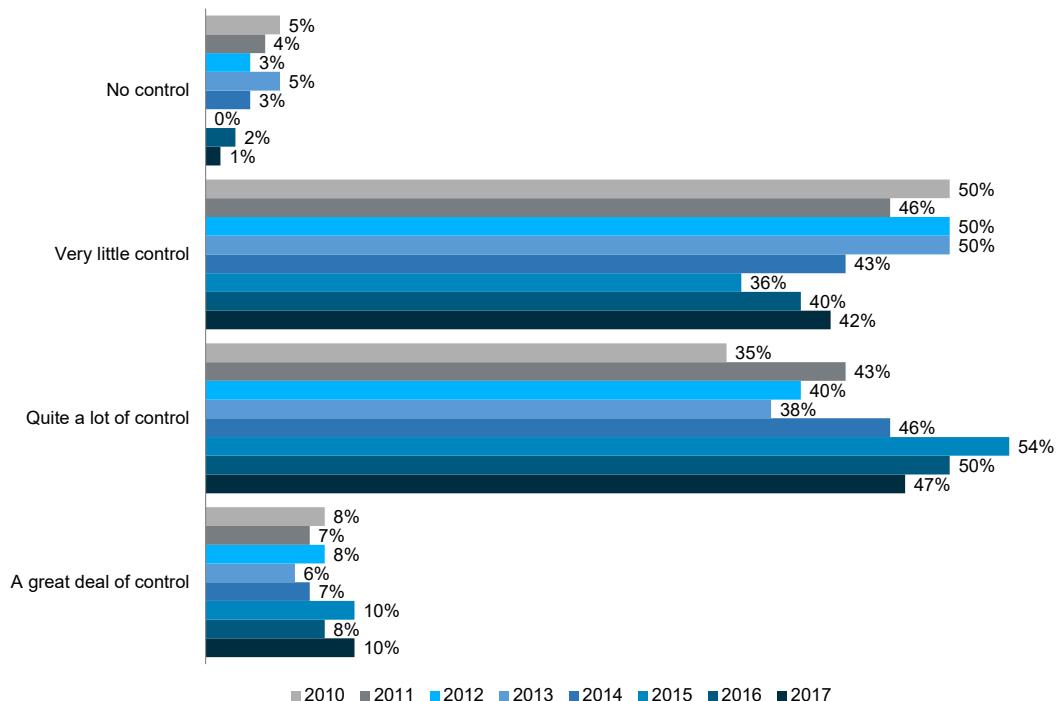
Agencies have a slightly more negative view of the control their clients have over conversion rates, which could be a result of higher expectations, or of greater knowledge of the extent to which conversion rates could be controlled.

Over two-fifths (43%) said that their clients have little or no control over conversion rates, identifying an opportunity for these clients, and indeed agencies, to improve revenues by focusing on their CRO strategy.

AGENCIES ARE MORE LIKELY TO SAY THAT THEIR CLIENTS HAVE VERY LITTLE OR NO CONTROL OVER CONVERSION RATES

Agency respondents

Figure 63: How much control do you feel your clients have over conversion rates?



Respondents 2017: 147 | 2016: 203 | 2015: 222
2014: 301 | 2013: 260 | 2012: 242 | 2011: 243 | 2010: 208



8.4. Incentives based on conversion rates

Incentivization based on something as specific and at the same time diverse as CRO can be difficult to achieve with success. As was seen in *Section 8.2*, 25% don't have anyone directly responsible for CRO – this does not mean that they are not working on CRO (*Figure 2* showed that only 1% of respondents see CRO as unimportant), but rather the responsibility for the discipline is likely a part of the jobs of many individuals within marketing, digital and ecommerce functions.

Incentivization schemes can be difficult to administer unless there are clear objectives and the definition of 'good' is indisputable. As this research has shown, CRO is a dynamic and iterative

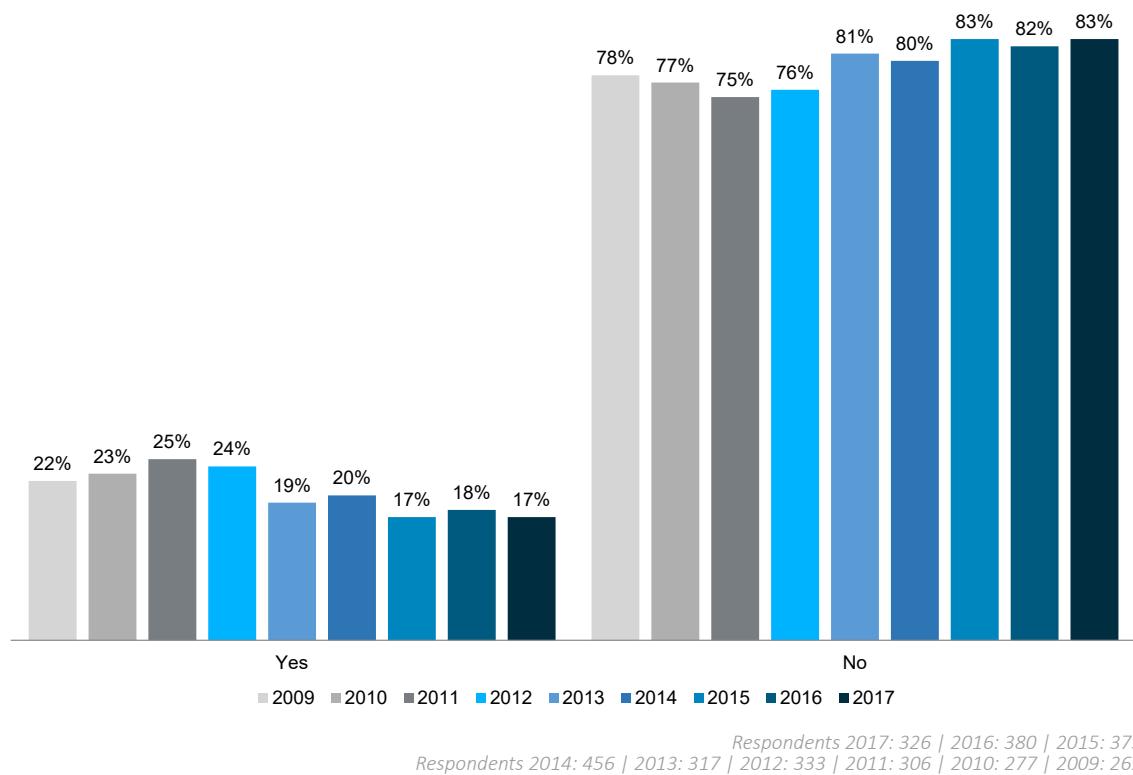
process based on hundreds of potential variables and influencing factors, and continues to become increasingly so over time. This could explain why *Figure 64* shows a 32% decrease since 2011 in the proportion of companies incentivizing conversion rate improvements.

The agency response, shown in *Figure 66*, is almost identical; 82% of agencies said their clients don't typically incentivize staff based on CRO.

Interestingly, less than a fifth (18%) of top-performing companies incentivize their staff based on improving conversion rates (*Figure 65*). This compares to 13% of the mainstream.

Company respondents

Figure 64: Does your organization incentivize staff based on improving conversion rates?

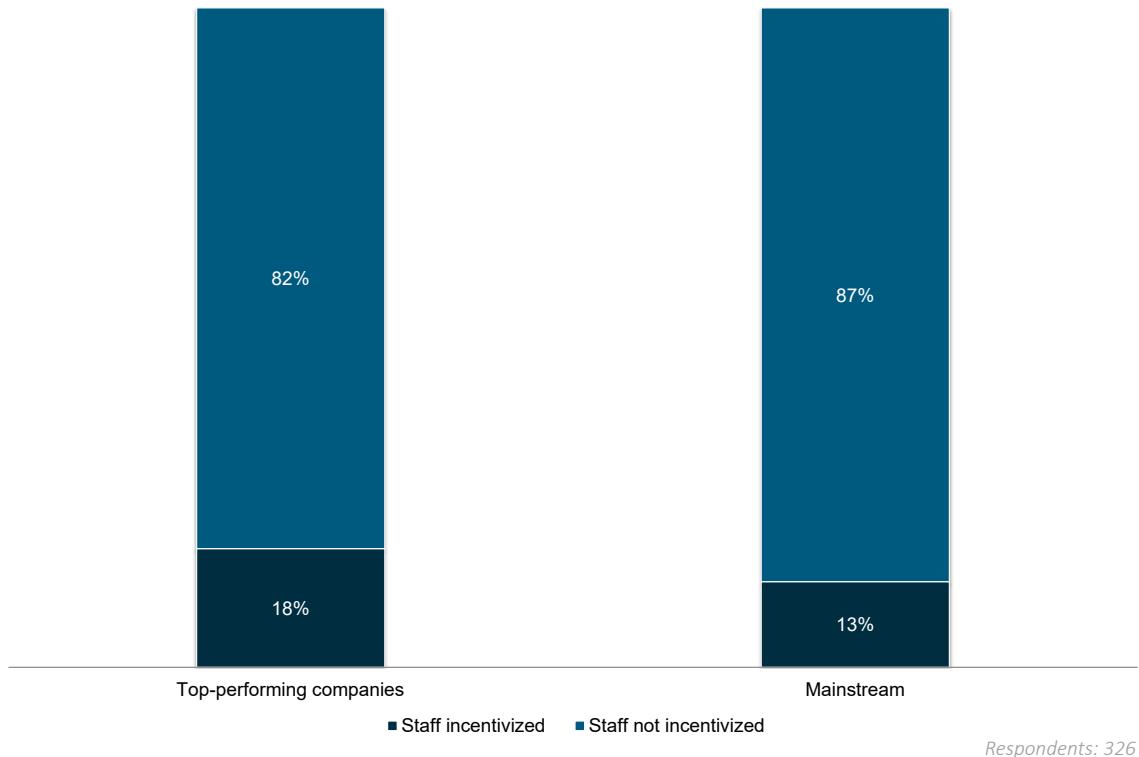


WHAT THE EXPERTS SAY

"It's fairly easy to improve conversion rates by doing things that are damaging to a business, like reducing pricing too low, pushing away new potential customers (who usually convert lower than repeat customers) and other 'tricks'. Therefore, I'm happy to see the continuance of the downward trend in companies incentivizing based on conversion rates."

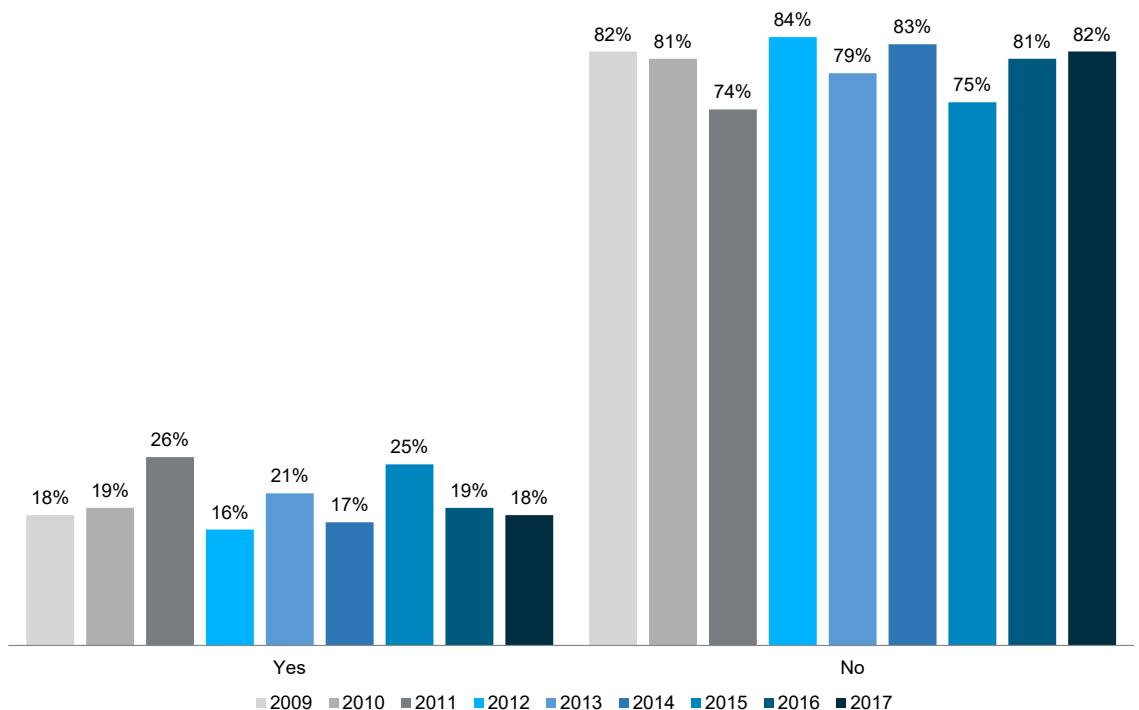
Dan Barker, Independent Consultant

Company respondents – top-performing companies versus mainstream
Figure 65: Staff incentivization by level of performance



Agency respondents

Figure 66: Typically, do your clients incentivize staff based on improving conversion rates?



8.5. Approach to improving conversion rates

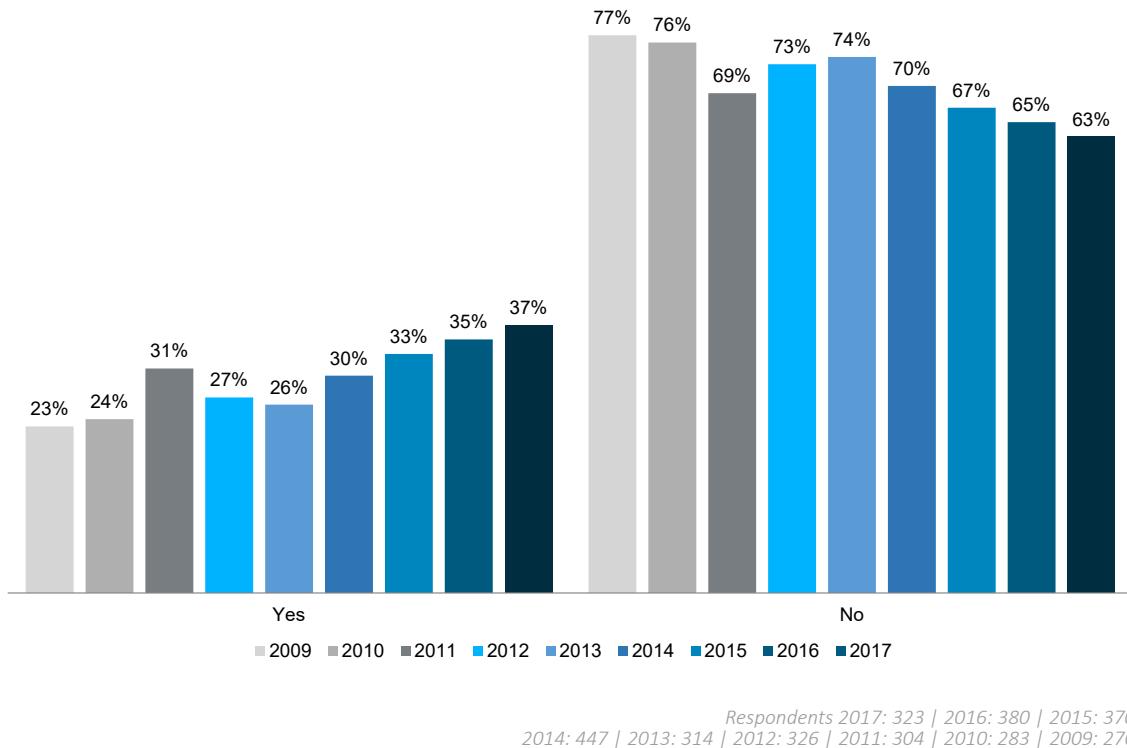
Figure 67 shows the steady improvement in CRO becoming a more structured process over the last nine years.

As companies have increased the number of people with CRO responsibilities (as seen in *Section 8.2*), the need to adopt a structured approach has become more pressing. Even so, the majority

of companies (63%) still don't have this structure in place, which again could be a reflection of the scope of the discipline. Conversion rate optimization in some form can impact upon almost every marketing channel and discipline, making it difficult to create a structured, whole-view approach.

Company respondents

Figure 67: Does your organization have a structured approach to improving conversion rates?



“ WHAT THE EXPERTS SAY

“The trend of a rising percentage of companies adopting a structured approach is a clear indicator that people are realizing that CRO has to be approached from a process perspective. I wish this trend keeps on rising as companies that are most successful with CRO adopt a structured approach.”

Paras Chopra, CEO, VWO
(Visual Website Optimizer)

“Conversion optimization is one of those areas where it's easy to get lost scatter-gunning different tests and trying different tactics. It's sad that we're still way over 50% of companies having no structured approach, but good to see that number continue to drop each year.”

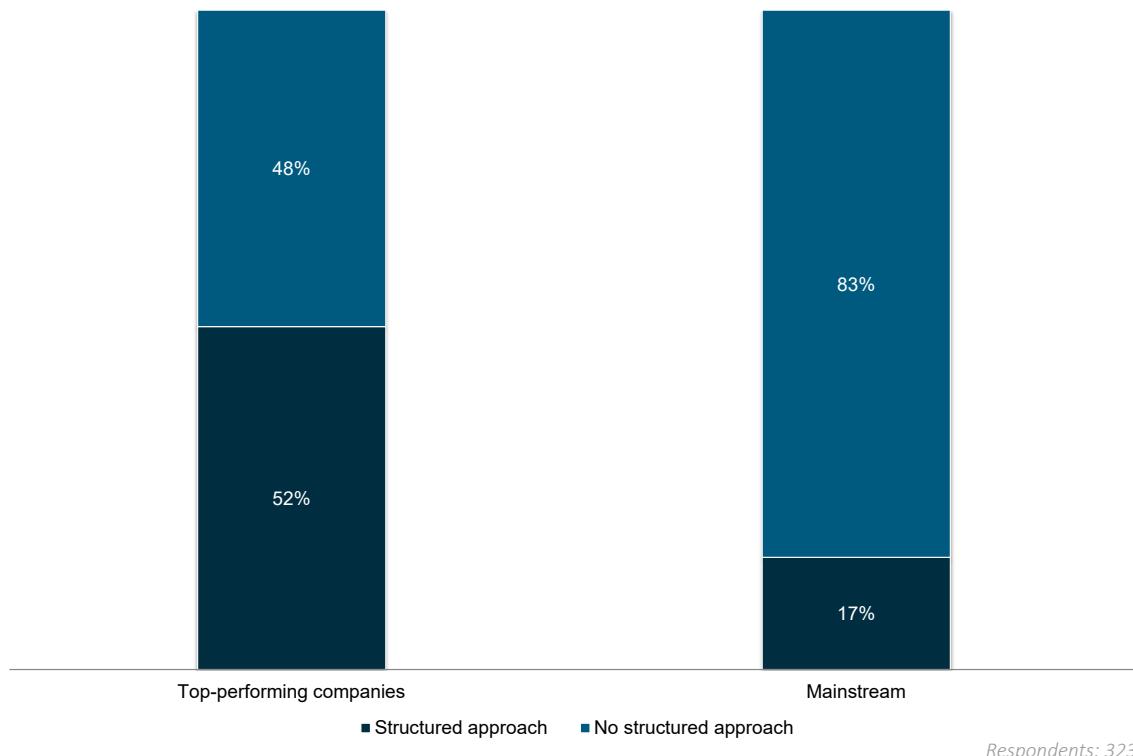
Dan Barker, Independent Consultant

ONLY 37% OF COMPANIES HAVE A STRUCTURED APPROACH TO IMPROVING CONVERSION RATES



Further analysis of the data revealed that operating within a structured plan pays off. Top-performing companies are more than three times as likely as the mainstream to have a structured approach to improving conversion rates.

Company respondents – top-performing companies versus mainstream
Figure 68: Structured approach by level of performance

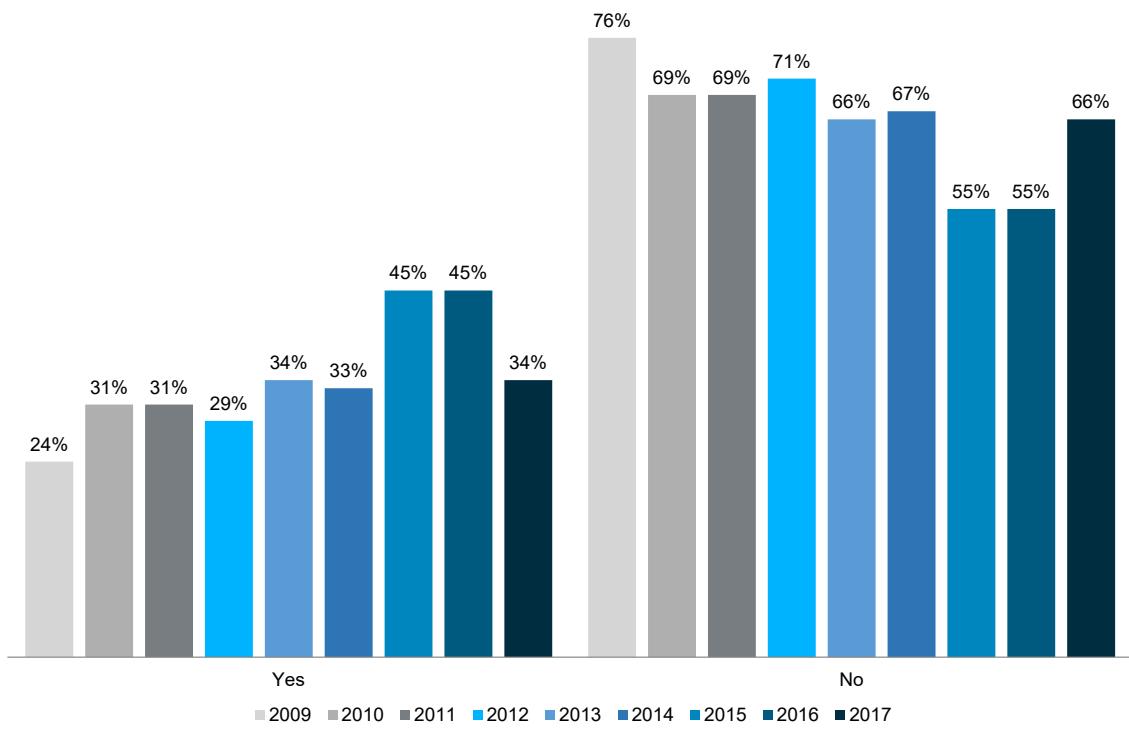


In a nine percentage point drop since 2016, the agency response shows an even less structured approach to improving conversion rates among their clients. Although the proportion of those with a structured approach has increased by 42% since 2009, this year's results indicate that progress could be stagnating; a trend which companies need to pay attention to, particularly with the perceived importance of CRO dipping slightly too this year.

With CRO part of the role of many rather than the sole role of few, a structured approach becomes increasingly important to drive progress and retain accountability for improving conversion rates. This emphasizes the importance of making the company-wide responsibility and accountability for improving conversion rates an entrenched part of company culture.

Agency respondents

Figure 69: Do your clients adopt a structured approach to improving conversion rates?



Respondents 2017: 144 | 2016: 201 | 2015: 218
2014: 296 | 2013: 259 | 2012: 238 | 2011: 238 | 2010: 207 | 2009: 214

8.6. Barriers to improving conversion rates

As was the case in previous years, the biggest barriers to improving conversion rates are insufficient resources and budget. While resourcing appears to have improved since last year, roughly the same proportion of companies are plagued with budget constraints (33%, marginally up from 32% last year), despite 50% saying they were going to increase budgets last year. Across seven of the ten barriers featured in *Figure 70*, the proportion of companies citing them has increased since last year.

Aside from the perennial resource restraints, internal structures appear to be the biggest problem for marketers tackling CRO. *Figure 59* shows the range of functions that can be responsible for conversion rates, but even with the ultimate responsibility resting with one department, almost every department and role can have some impact on conversion rates.

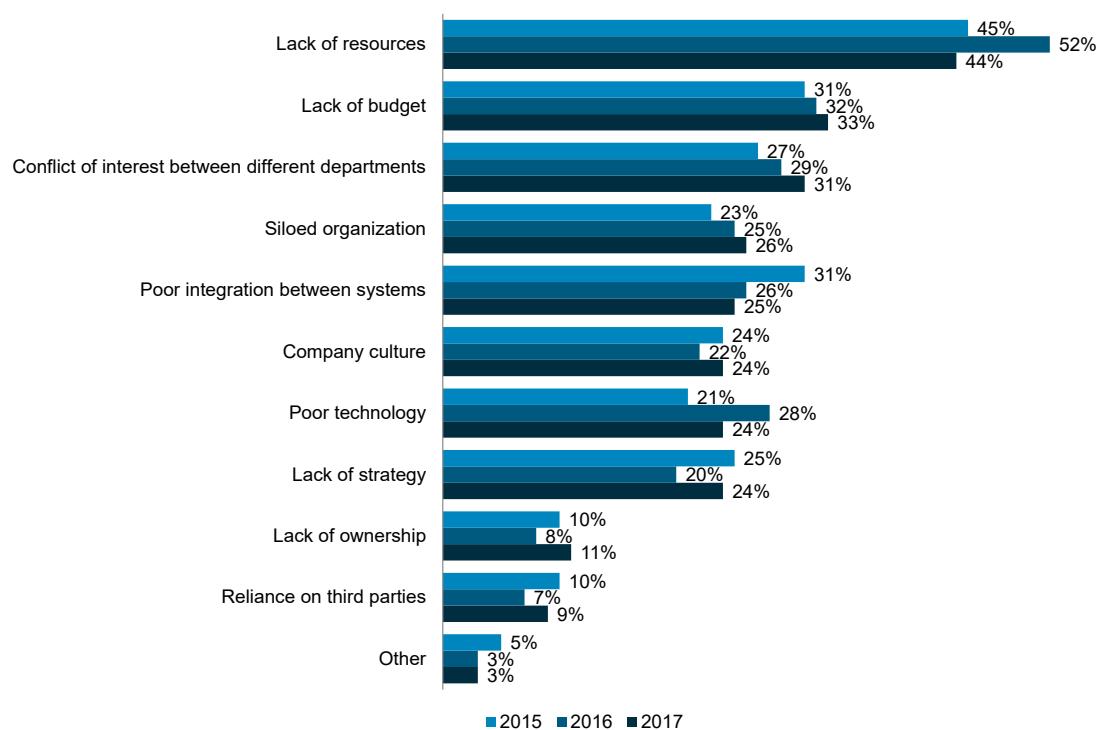
With incentivization, structuring company-wide objectives for CRO can cause conflict among teams with their own individual objectives to hit. This is exacerbated in siloed organizations, cited by more than a quarter as a barrier to improvement.

The agency response is very similar: budget and resources again emerge as the biggest barriers, though agencies see budget (48%) as the key barrier over resources (35%) among their clients.

INSUFFICIENT RESOURCES AND BUDGET CONTINUE TO BE THE BIGGEST BARRIERS TO IMPROVING CONVERSION RATES

Company respondents

Figure 70: What are the biggest barriers preventing your organization from improving conversion rates?



Respondents 2017: 318
2016: 374 | 2015: 367



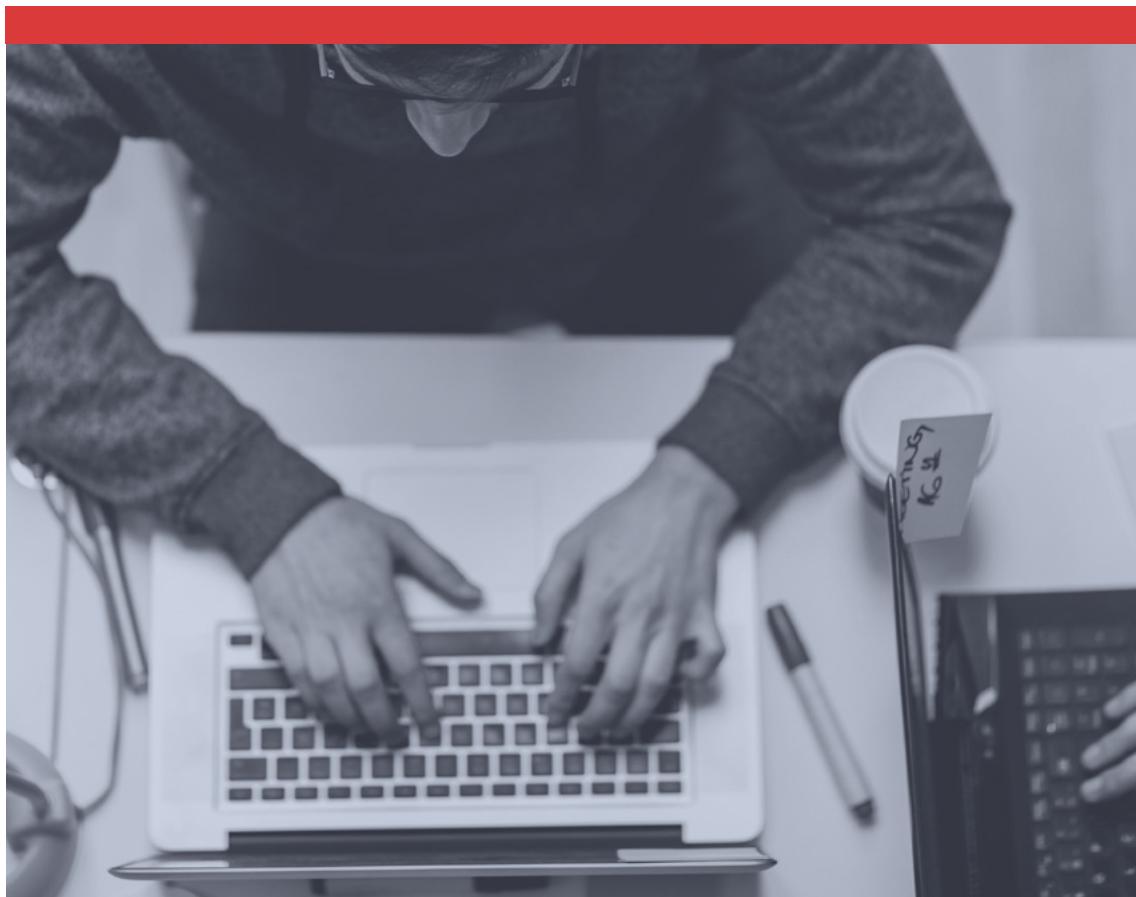
WHAT THE EXPERTS SAY

"An improved understanding in the impact of CRO on the business is evidently needed based on the feedback on the thing that would make the biggest impact on a business. Whilst those close to CRO are well aware of the vast array of resources, perhaps it hasn't quite been delivered deep enough to the decision makers. Often key metrics include traffic, sales, revenue and return on ad spend however we're heavily focusing client attention on how many people add to cart from a visit, how many get to the checkout and how many convert from checkout. These macro conversions all play a part and modeling the impact of increasing these metrics, closer to the end of the funnel, is often an eye opener as to how much a business is leaving on the table by not taking CRO seriously enough, restricting resource and budget allocation."

Depesh Mandalia, Founder and CEO, SM Commerce

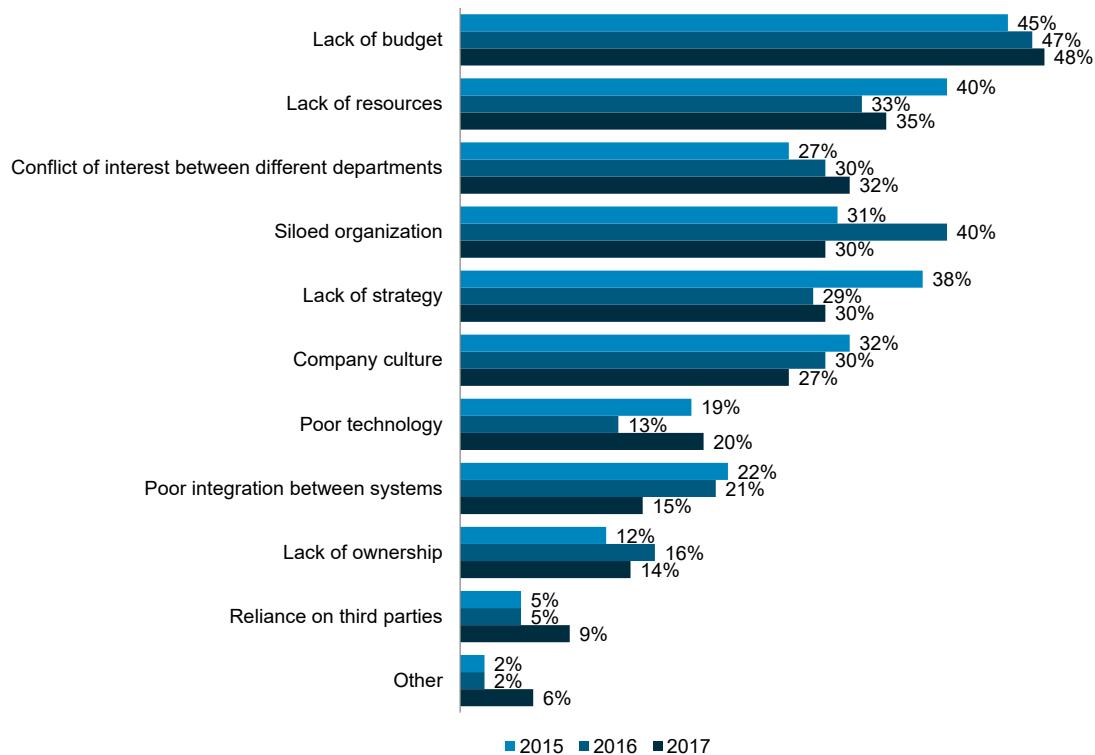
"A fun bit of conversion trivia: whenever you ask people what's stopping them doing something, they almost always answer time and money. So the winning appeal for a product or service is often 'easy and low price'."

Ben Jesson, CEO of Conversion Rate Experts and author of *Making Websites Win*



Agency respondents

Figure 71: What are the biggest barriers preventing your clients from improving conversion rates?



Respondents 2017: 142
2016: 192 | 2015: 220

8.7. What would make the biggest difference to conversion rates?

When asked about what would make the biggest difference in improving conversion rates, a comprehensive strategy and adequate resources and budget again emerged as key themes for the majority of companies surveyed (Figure 72).

Lack of leadership buy-in, plus the issues stemming from it, and lack of a thorough understanding of how CRO initiatives can impact overall business performance, were often cited. Several respondents mentioned the importance of fostering an optimization culture, one that encourages regular testing and in which agility is front of mind. Among organizations running regular tests, an inability to act upon the insights that testing uncovers quickly enough often hampers their progress.



Figure 72: What do you think would make the biggest difference to your company (or your clients) in improving conversion rates?



“ WHAT THE EXPERTS SAY

“The majority of companies report they don’t have a structured approach to conversion; yet the most common pattern coming from companies on what would make a difference to their result is ‘strategy’. Having run this report for several years now, and seen positive but slow change in some of the numbers, it’s obvious that the biggest change most businesses could make to improve their conversion rates is for someone to sit down for a few hours and put together a plan for how they’re going to resource, what the process should be and who will be responsible ongoing.”

Dan Barker, Independent Consultant

SURVEY RESPONDENTS



What do you think would make the biggest difference to your company (or your clients) in improving conversion rates?

"A strategy with support and coaching in the execution."

"Clear understanding, strategy and ownership of the process and the impact on the business."

"Creating a unified culture of optimization and personalization."

"Culture overhaul and investment in human and financial resources."

"Clear ownership and leadership buy-in."

"Ownership and education about digital in all lines of business (including clear metrics and outcome expectations)."

"Focused strategy on identifying conversion opportunities and utilizing tools and people within the organization to carry this out."

"Faster implementation of winning tests."

"Greater confidence in testing tools, and faith that they're being managed appropriately."

"Technical capability to implement bigger tests. Resource to get the time to manage and run the tests."

"Greater understanding of the impact that small changes can make to overall performance."

"Applying more rigorous in-house tracking processes to feed back into CRO investment."

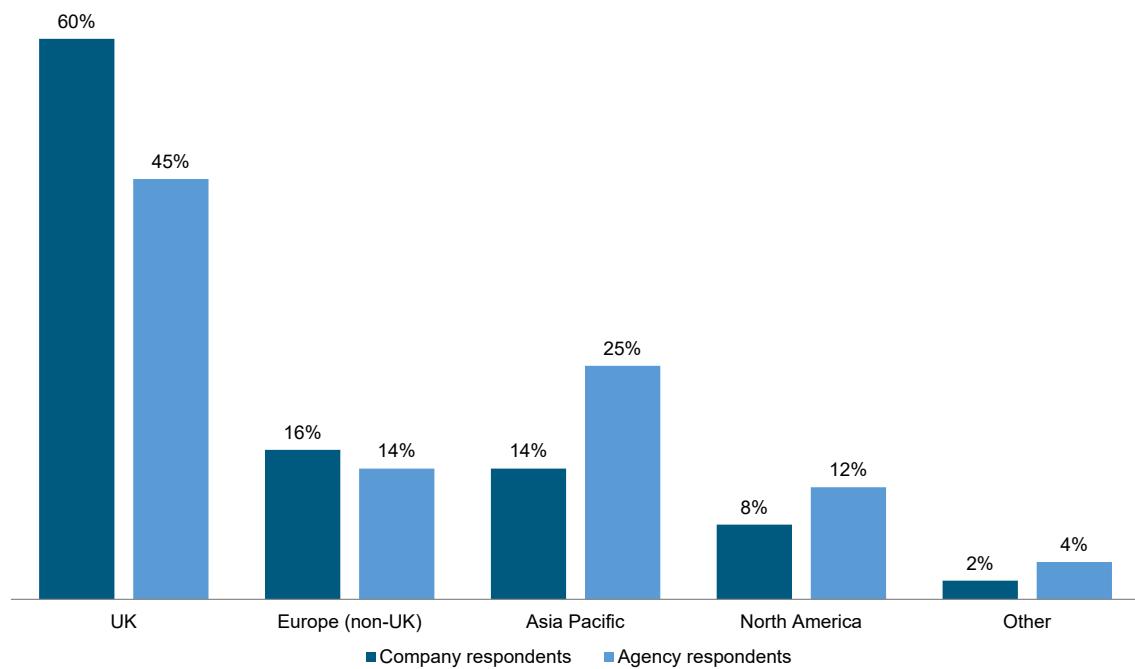
"Changing the company culture from tactical marketing to strategic data-driven marketing."

"A greater understanding of how increased conversion rates can affect their business. There is still seemingly a large number of clients who believe driving more traffic is always the answer, rather than converting the current traffic more successfully."

"Investing budget in a team dedicated to constant testing and evolution of the online sales platform. This will encourage the understanding that a website or app is not a solid, finished item but it is rather fluid, ever-changing and reacting to the market and consumer needs."

9. APPENDIX: RESPONDENT PROFILES

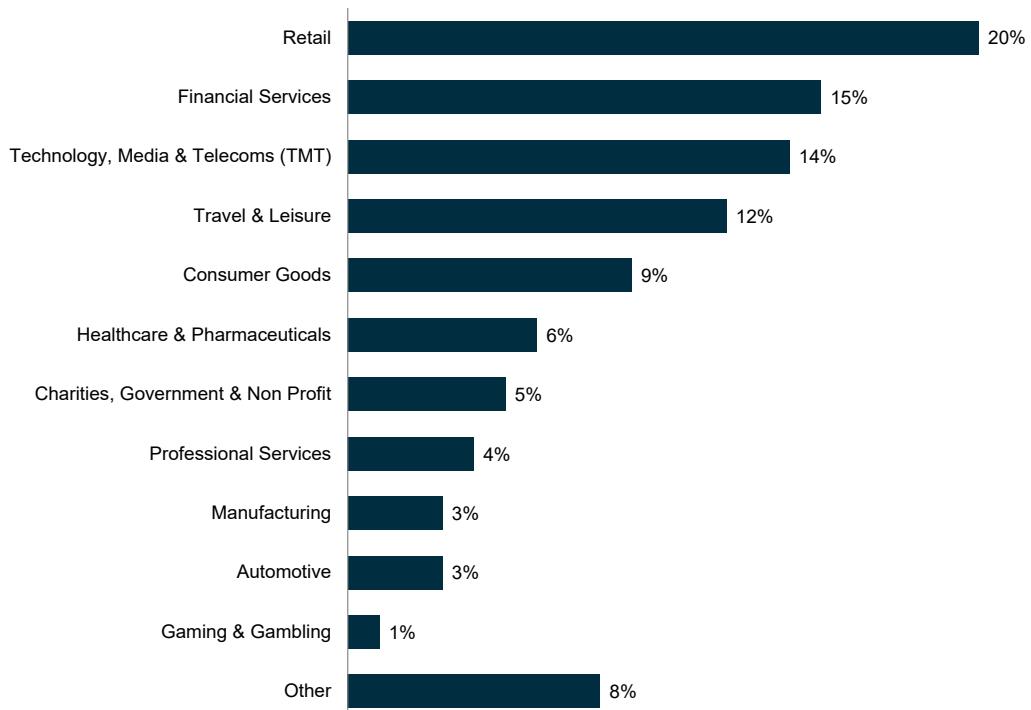
Figure 73: In which country / region are you (personally) based?



Company respondents: 324
Agency respondents: 146

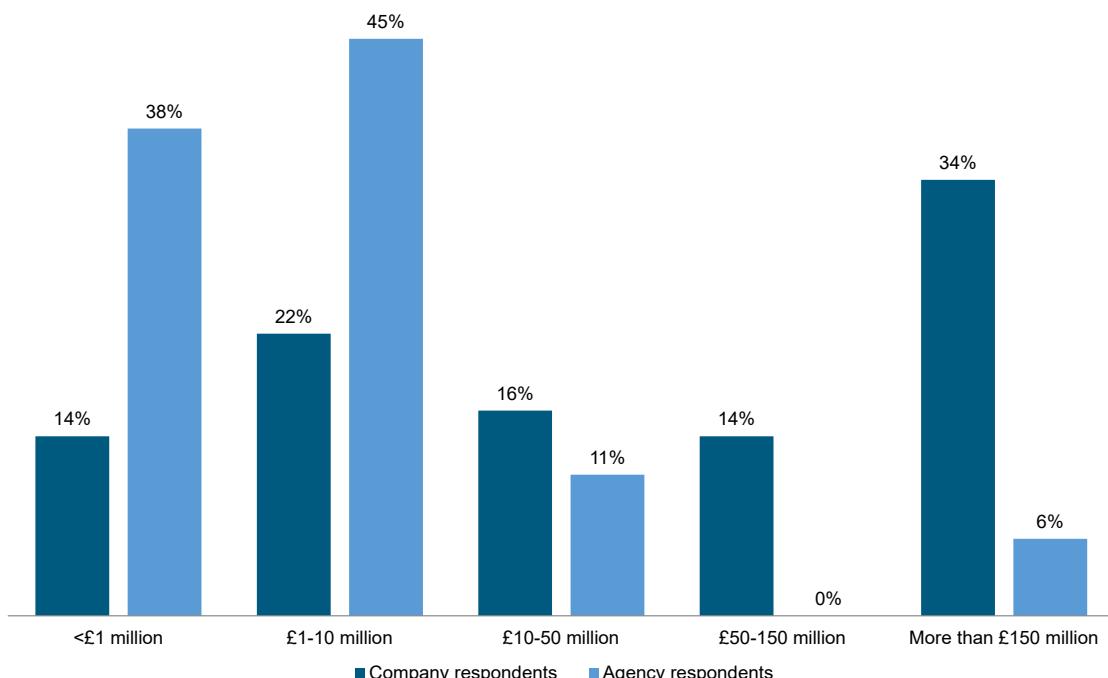
Company respondents

Figure 74: In which business sector is your organization?



Respondents: 324

Figure 75: What is your annual company revenue?



Company respondents: 318
Agency respondents: 143

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