



The eComm Guide to Conversion Rate Optimization (CRO)

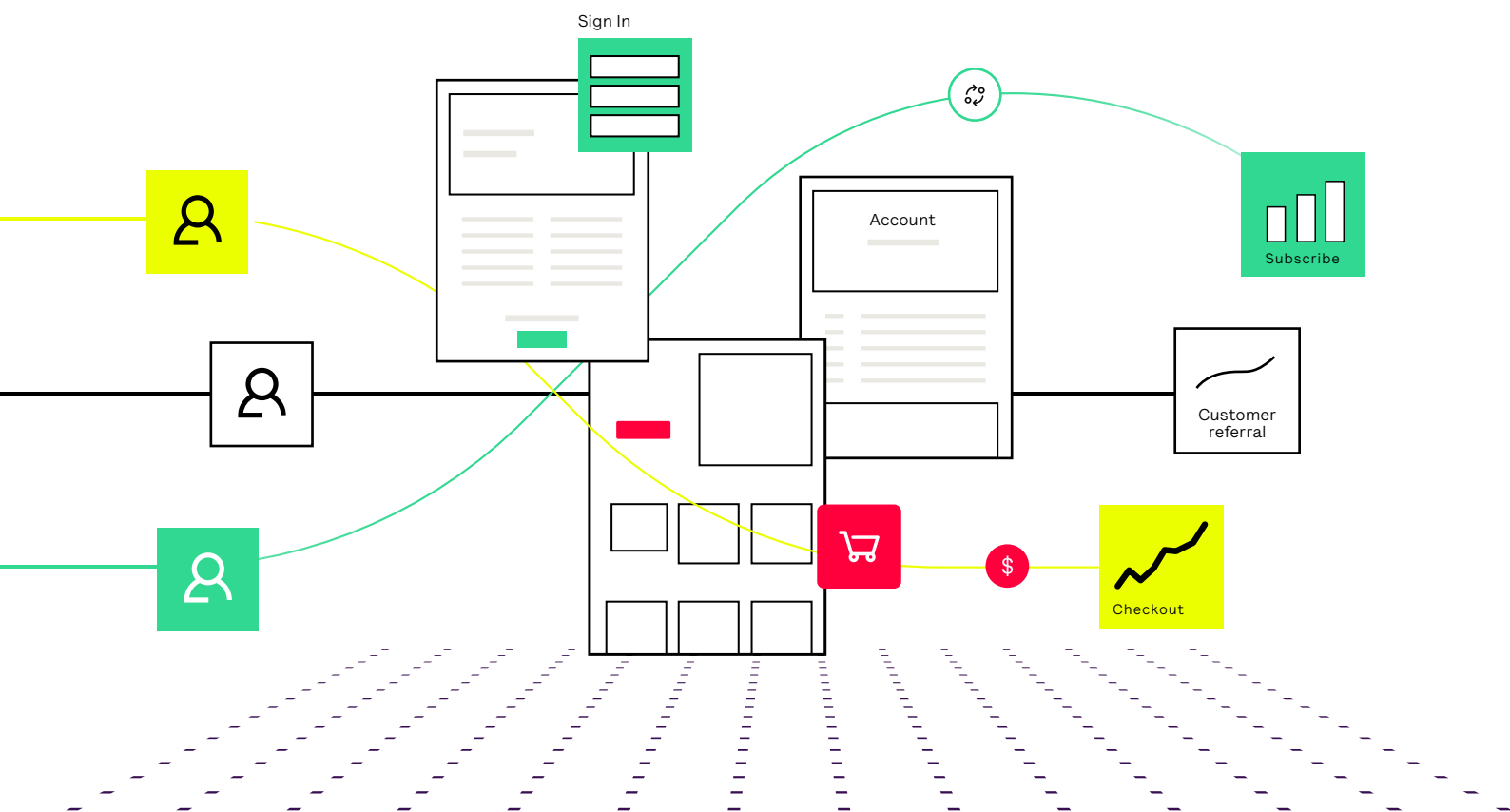


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SECTION 1

So You've Decided to Improve Your CRO (eCommerce edition)

You probably downloaded this ebook because you are responsible for increasing conversion in some area of your website or digital product. Or maybe across the whole thing!

In this ebook, you will find moments when you can improve CRO, strategies on how to get customers to buy instead of keeping items forever in their carts, and a step-by-step guide to conversion rate optimization. We went for this holistic approach so you could feel as confident as possible experimenting with CRO, so that you could really experiment with what works, and discard what doesn't.

As you know, the main goal of CRO is to help more users get to your conversion event, and to encourage more of them to actually convert. For eCommerce companies, the ultimate conversion event is usually when a visitor at your site decides to buy something in their cart. But it can also be any number of steps along the way!

CRO is what gets you the most out of each of those interactions by maximizing the number of visitors who become buyers. There's often a lot of tweaking, testing, trying new things, and learning.

In short, by improving CRO you'll have more customers buying and returning, and fewer would-be customers leaving. Read on to learn how!

SECTION 2

Why focus on Conversion Rate Optimization (CRO)?

When trying to sell the power of CRO to other people in your organization, it's worth reminding them of all the benefits a strong CRO strategy confers.

1. All that web traffic doesn't mean much without conversion

Lots of teams, especially marketing, invest time into increasing web traffic. But web traffic is only useful to the business if those visitors become buyers.

2. Spend less on each acquisition and attract more high quality

prospects CRO helps you lower the acquisition cost per customer by enabling you to analyze your site and focus on getting the most out of your qualified traffic. Instead of paying more to attract irrelevant visitors, CRO turns high-quantity traffic into high-quality customers.

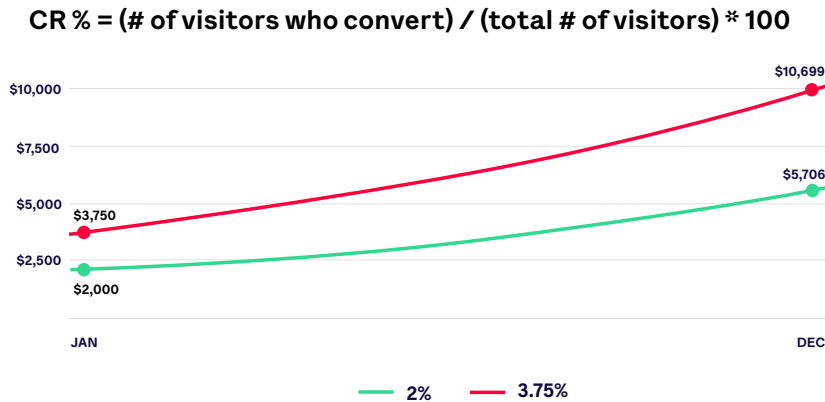
3. Improve visitor experience on the granular level

Performing CRO can give you better insight into your visitors' behavior. CRO tools such as funnel and path analyses and session replays put you inside the mind of your prospects, telling you what pages people viewed, where they spent the most time, and why they decided to leave. You can see which points in the customer journey lead to bottlenecks, and which pages perform the best. You can even break these analyses down by audience segment.

4. Increase Retention

An improved experience for all users generates more conversions as well as better brand loyalty. Positive user experiences tend to produce return visits. There are often a glut of websites that sell similar products. Which do customers return to? Most often, the sites that are the most user-friendly.

More value equals better retention.



The impact of CRO on revenue. If you're growing traffic/users 10% per month, increasing your conversion rate from 2% to 3.75% will nearly double revenue by the end of the year.

Want to learn more?

Try playing around with our online CRO calculator at www.heap.io/topics/conversion-rate-optimization-for-marketing-product-teams/

With CRO, your visitors get a real sense of the product they're buying a subscription for, which means less frustration on their end when they use the product—and less frustration for you when they end up churning.

CRO for eComm: four key stages

The ideal eComm customer journey can vary across company. Some are looking for lots of repeat visitors. Some are more geared towards an occasional sale.

That said, in general the big conversions in eCommerce tend to organize around three key steps in the customer journey

1. Presenting the right products and getting users to add them to their cart.

Show information about your product to customers in a way that compels them to want it. You can do CRO on web page elements such as design, images, reviews, messaging and copy to encourage more people to add products to their cart.

2. Raising the average order value (AOV).

Either you increase the average price of items in a user's shopping cart (i.e. get them to buy more expensive stuff), or you can increase the number of items the average user buys. Site flow and presentation can impact both of these tremendously.

3. Making it effortless to complete purchases.

This is less about creative presentation, and more about locating moments of friction or difficulty. CRO efforts often focus on the payment flow: reviewing the cart, entering payment info, and dealing with shipping. Funnel and path analyses are crucial for identifying key dropoff points.

4. Bringing in the right customers.

Behavioral analytics lets you segment users into groups according to who is most likely to convert. By tracking what people actually do in your product, you can identify group interests with significant accuracy. Once you've located a mother lode of potential customers, you can start sending them targeted marketing materials, coupons, and special offers.

Your eCommerce experience should be as friction-free as possible.

CRO elements specific to eComm

The business of ecommerce is unique. Every little button or UX element has the potential to make an oversize difference in conversion rates. Here are three aspects of the ecommerce CRO process that can always be improved.

Desktop vs mobile: If you experience different conversion rates, dig into the underperforming experience to figure out why. Are your users more mobile-focused than desktop? Is your mobile experience not as well optimized? Can visitors move easily from desktop to mobile while shopping?

Online shoppers want the experience to be seamless, fast and convenient. Make sure customers can easily find answers to their questions. Consider adding a chat feature—unanswered questions lead to conversion loss since many shoppers won't call customer support.

Encourage repeat purchases. Teams often focus so much on the initial purchase that they overlook enticing customers to come back. Create relationships with personalized web experiences—identify similar items they may like, and send offers or special pricing. When users return to your site and see things that interest them, they are more likely to purchase.

A personalized web experience is vital to building brand trust with the customer and ultimately, increasing conversion rate.

SECTION 3

A Systematic Approach to Improving Conversion

Here's a reliable, seven-step process for improving conversion—one that focuses specifically on your needs as an eCommerce business.

CRO is like cooking. Start with a reliable recipe, taste, add a few of your own adjustments to change it to your liking, then taste and tweak again. Maybe next time you'll add some tomatoes to bring some freshness to the flavor. Maybe someone you're cooking for (maybe it's you!) hates tomatoes, so you add lemon instead. The goal is constant improvement over time, an ever-changing recipe to draw in a specific palette – sometimes a range of them.

Like cooking, CRO is ultimately a science. You look for ways to improve, gather data from your audience, hypothesize a new way to do things, experiment with your approach, and measure the results. Whether it's cooking for a picky eater or a particular kind of customer, there's always a way to improve.

7 Easy Steps for Improving Conversion on Your Site or Product

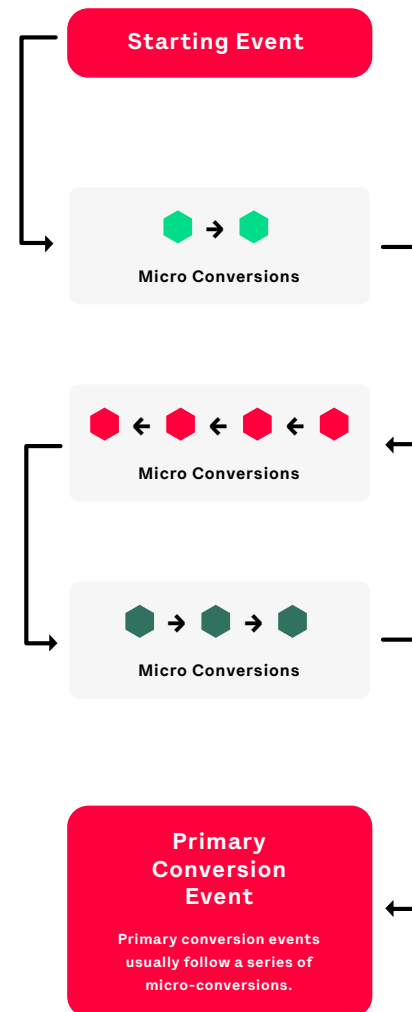
STEP 1

Figure out your primary conversion events

Primary conversion events vary across industries and depend on context. Before tackling CRO, define what matters most to your team and product.

These events usually mark the end of a series of micro conversions, like “fill out line 14 on this form” or “add item to cart.” Marketing teams may also focus on smaller conversion goals outside of the primary conversion path. On a landing page, the conversion goal might be clicking “download whitepaper” or “on-line chat now.” Conversion optimization often focuses on improving these micro-conversions, as each can be a potential roadblock to the main conversion event.

Together these granular micro-conversions add up to the large-scale, macro-conversion. That macro- or primary conversion event for eCommerce is almost always a version of “click purchase.”



STEP 2

Map the major events in your conversion funnel(s)

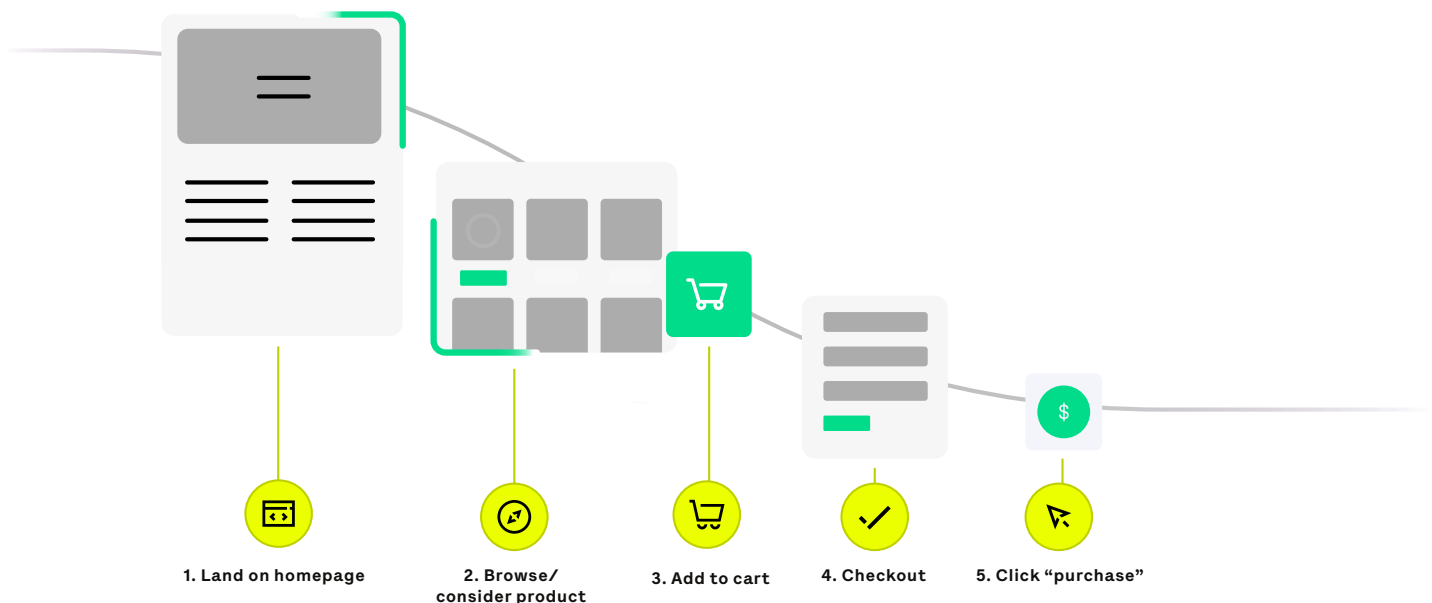
After getting clear on what primary event or macro-conversion you hope to produce, map out the steps that lead to it. Create a conversion funnel—it's a great tool to help you create a reliable picture of how a user feels at each stage of their customer journey.

Get tight about the ideal flow that leads your visitors into becoming paying customers.

Your conversion funnel should have between 4 – 6 steps.

No less, no more. If you add too many steps it's easy to lose track of the big picture. If you add too few, it's hard to track what users are actually doing.

On a eCommerce site, for example, the funnel is often a version of the diagram below.



On the next two pages, we'll break each of these steps down and focus on their implications for CRO!

Checkout

69%

eComm businesses lose over 69% of sales to cart abandonment during checkout

Click "purchase"

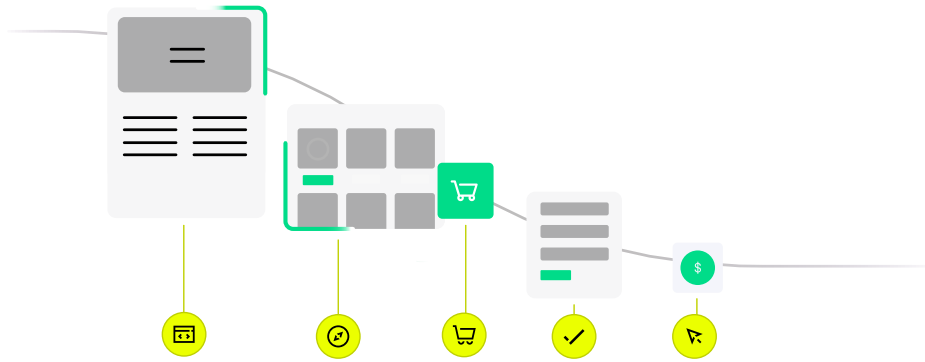
6-7X

It costs 6-7x as much to earn a new customer than retain an existing one

60%-70%

The probability of selling to an existing customer

Breaking down the funnel steps for an eComm conversion:



1. Land on homepage

Something about your site attracts a user. Perhaps they're aware of your product or were recommended by a friend.

Now that you have their attention, keep it!

- Craft interesting content that addresses shoppers' needs, answers their questions, and positions your company as a thought leader in your industry.
- Highlight how your product is different and better than your competitors.
- Test your content, tweak it and see how the variations perform.
- Offer shoppers helpful resources in exchange for their email addresses in order to convert them from casual visitors to leads.
- Move them to the next phase in your funnel so you can send them even more relevant content and stay on their radar.



2. Browse/consider product

Now that your visitor is a lead, show them why they must absolutely have your product. Test variations of page elements like copy, graphics, and recommended items to see which prompts people to the next step.

Remember that not all your users will take the same paths to the sale—a shopper can land on one of your subpages without going through the home page. When you use session replays, **you can actually see how they arrived.**

Keep this in mind so you don't miss out on micro-optimization opportunities. Make sure users can seamlessly explore without error messages.

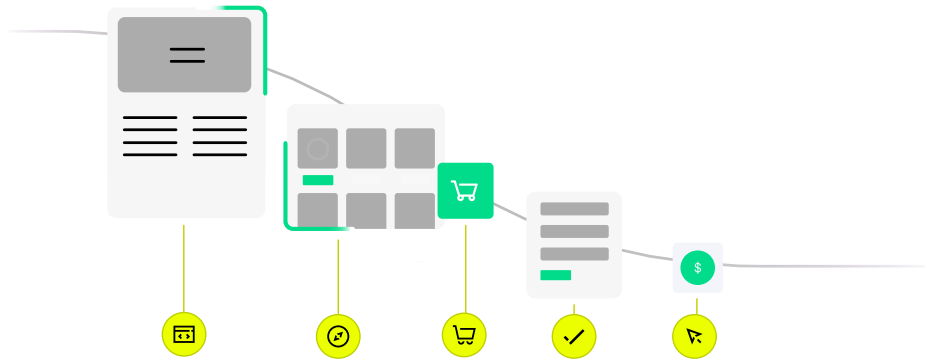


3. Add to cart

The risk here is shopping cart abandonment—your goal is to find out why. Some research suggests that up to 75% of shoppers abandon purchases after adding items to their cart due to site-related issues such as shipping costs, lack of payment options, and technical problems.

If users are not converting here, run an A/B test. Perhaps publishing shipping costs earlier in the customer journey will produce more conversions than revealing them later. Try sending retargeting emails, or run retargeting ads to users who added your product to their cart but never completely went through checkout.

Breaking down the funnel steps for an eComm conversion:



4. Checkout

This is where people review their cart right before the Big Kahuna of conversions—the purchase. **You want your customers to buy!** But on average, eComm businesses lose an astonishing 69% of sales to cart abandonment during checkout.

This is where session replays are invaluable. You can see exactly how and where users are abandoning their carts.

Are people dropping off when asked to register for an account? Do they balk at entering personal information, or have difficulty doing so? Does offering a guest checkout give you more conversions?

New account registration is one of the top reasons people abandon carts at this stage, since it creates extra work for shoppers and adds another step to the buying process.



5. Click “purchase”

Time to celebrate—your lead is now officially a customer! **But your work is not done.** As you know, it costs 6 to 7 times as much to earn a new customer than to retain an existing one. The probability of selling to a new customer is between five and twenty percent, but the probability of selling to an existing customer is 60-70%!

Don’t let all your hard work go to waste. Since customers know the value of your product and trust your company, your main priority is to keep them engaged. Ideally your easy site experience will have assisted this goal, but emails and other promotional efforts can also help.

STEP 3

Use data science to find the key moments between your major events.

Setting up the perfect user flow can be an immensely gratifying experience. Unfortunately, you also likely know the other unavoidable fact of SaaS life: users never do what you think they'll do.

Dropoff points equal major opportunities. Why? Because they're the moments where visitors tell you *exactly* where they lose interest. If you figure out *why* they leave, you can figure out how they'll stay.

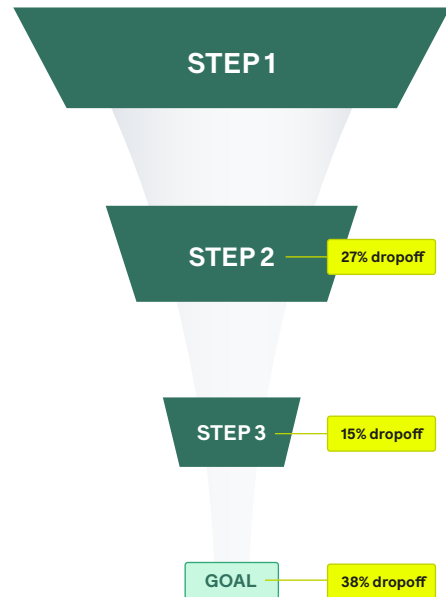
Here is where data science is a game-changer. **Today, some advanced analytics tools can automatically show you the invisible steps between events, and can show you which ones of those are most important to the conversion path.** You're lucky enough to have an analytics tool that can do this automatically, you're already ahead of the game.

If your analytics tool can't do this work automatically (if it can't locate key interstitial events on its own), you can still do this work manually. Look for the steps with the biggest dropoff between them – then go to your site and go through the user flow on your own. Write down every action in it.

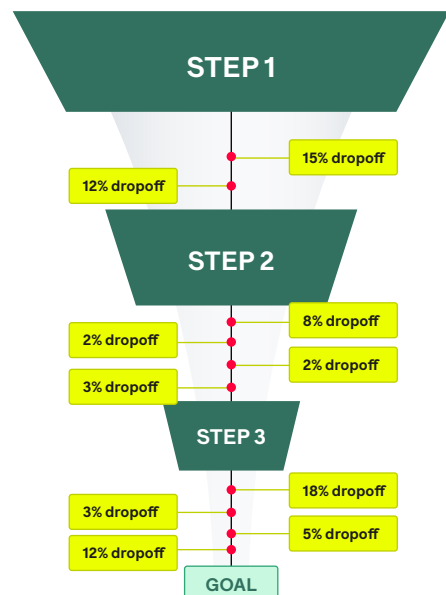
Sometimes you'll notice problems with forms, or buttons not working. Then take each of these little steps and analyze them in your analytics tool to see what users do there. What do users do just before and just after each? How many users have problems? This is more work, but can still yield results.

You can also use Session Replay (see the next step!) to find these in-between events.

How most funnel analyses are set up



Where dropoff truly happens



STEP 4

Use Session Replay to see what's happening at key moments

As we saw in the previous step, numerical data is perfect for finding where users are dropping off within the funnel. Session replays are a great tool to help you get to the why. By watching user sessions unfold, you gain an intimate understanding of how visitors interact with and navigate your digital experience:

You can see how visitors actually experience your product

Are users finding the highest-value features easily? Are they following the paths you predicted they would? Where can you add new elements, remove friction, and make user interactions smoother and easier?

You can surface all sorts of unexpected behaviors

Do people scroll the way you want them to? Are your buttons placed in optimal positions? Are customers adopting or avoiding new features?

You can see why certain moments give people problems

Are they confusing static elements of your landing pages for controls and links? Are there any broken buttons or CTAs you're unaware of? Do people rage-click at a certain spot before they abandon checkout?

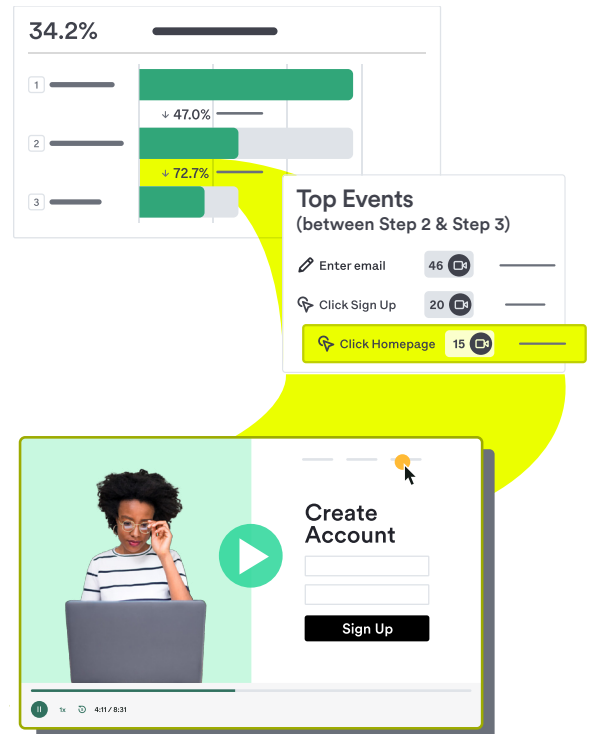
With this info, you can test new features for adoption and quickly make adjustments.

You can observe common complaints to create fixes or FAQs.

Any session replay tool can give you this info, but **the best session replay tools come already integrated into your analytics suite.** This ensures you can use your analytics tool to find key moments, then use session replay to see what's going on there. The best tools even cue your sessions up to the exact moments you're interested in, so you don't have to spend time figuring out where in the replay the important thing happens.

1. Uncover opportunity

Use your analytics tool to identify key moments of friction and dropoff.



2. Watch replays

Discover what's happening by watching session replays. The best tools cue replays to the exact moment you're interested in.

STEP 5

Figure out alternate paths to conversion

As you certainly know (and as we acknowledged above), users have minds of their own when it comes to navigating your product. In an ideal world, your visitors would always follow the steps you want them to, in the order you want them to.

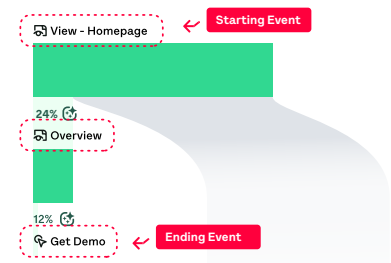
In reality, **visitors may discover any number of paths through your product**, especially ones you hadn't anticipated. If you want to meaningfully impact conversions, you need to be able track and respond to each of these.

The best way to find these alternate routes to conversion is to use a tool that helps you identify them.

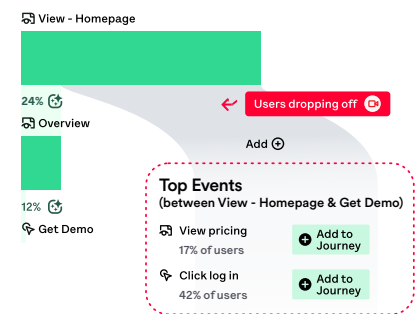
If you don't have a tool that can do that work for you, it's still worth putting in the time to think about the other paths users might take. Most analytics tools can show you what users do before and after your major conversion events. This can help you unearth alternate paths. Once you find an alternate path, investigate to see how many users take that route and how those users convert. (Who knows? If an alternate route gives you better conversion numbers, you might want to reorganize your main user flow!)

User testing can also be useful here, as can Session Replay (see step 4), both of which give you a chance to look over your users' shoulders to see how they really navigate your experience.

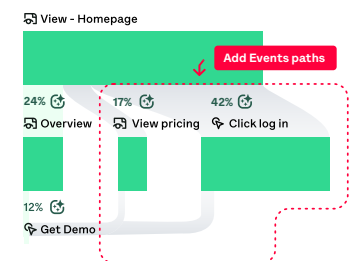
The Ideal Way to Compare User Paths



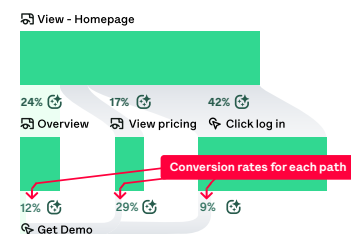
1. Set your starting and ending events



2. Let your tool suggest in-between events that significant numbers of users take



3. Add these events as separate paths that lead to the same endpoint



4. Track performance for each of these paths. See how many users take each path, and what the relative conversion numbers are.

STEP 6

Segment your users and see who's most (and least) likely to convert

When it comes to understanding your users, there are few tools more powerful than user segmentation. By breaking your user base into different groups, you can get all sorts of insight into how your product or site is working.

CRO is all about knowing which groups to target.

There are many ways you can segment your users— the only limit is how many ideas you can come up with. The specifics will of course be unique to your product, but the more ways you can slice up the data, the more likely you are to stumble onto an underserved segment.

Segmenting by channel: If your data shows that website visitors who come from Accountants Weekly magazine convert at a 2x rate compared to those who don't, you can adjust your outbound or online marketing to bring in more "A.W. types," and optimize messaging on your landing pages.

Segmenting by user type: If VPs convert at 2x the rate of ICs, you can use that information to tailor your product to VPs, or tell your sales team to sell to more VPs.

Segmenting by behavior with cohort analysis: There is arguably no more powerful CRO strategy. Behavioral segments allow you to corral your users into cohorts (groups) based on actions they take—or haven't taken. You're looking for behaviors that predict conversion, so you can orient your product around getting more users to perform them.

Do users who convert read your blog?

Did they leave a review? Save a report?

Do they prefer the purple CTA?

Some examples of how you can use behavioral segmentation to grow your business:

Boost revenue via recommendations:

You discover that users who buy handbags from your fashion website tend to buy shoes as well. You can then send an email or alert offering a 20% off coupon for shoes to users who recently bought a handbag.

Facilitate the buyer's journey: You discover that visitors who use your free app's bookmarking functionality tend to upgrade to a paid membership at a higher rate than those who don't use it. You can create an in-app guide that encourages new visitors to use bookmarks.

Improve customer retention and reduce churn:

You discover that users who are inactive for longer than 60 days have a low rate of retention. You can send a special three-stage email marketing campaign to re-engage users who have been inactive for 30, 45, and 60 days.

For even more ideas,
check out our
[Behavioral Segmentation guide](#).

STEP 7

Test, measure, iterate. Then repeat.

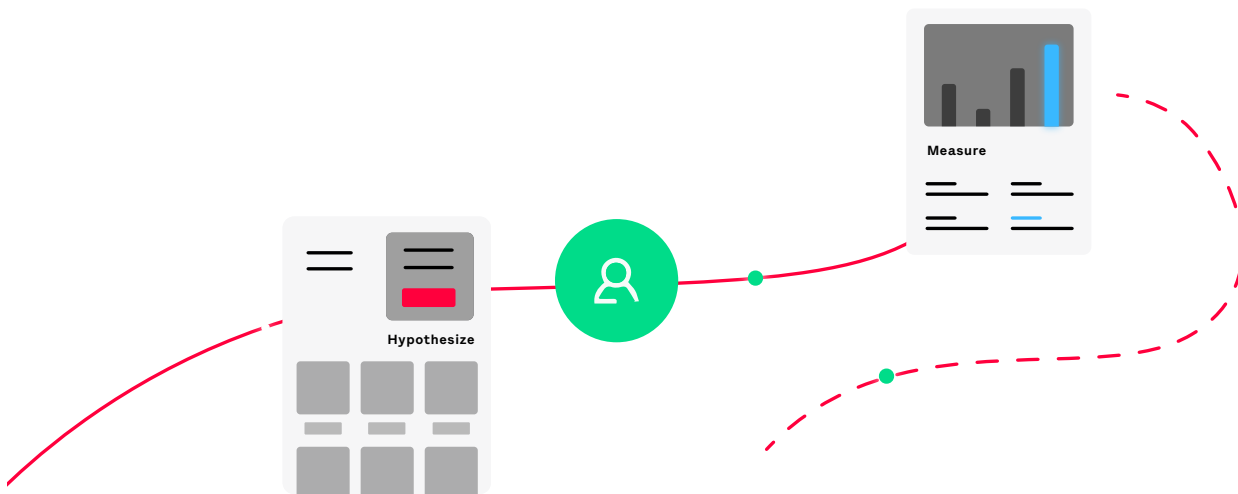
Data-driven CRO is about using data to make informed hypotheses and learn as much as you can from each test. You can improve your product by learning everything about how people use it, where they're coming from, and what problems they have.

Every time you go through this seven step process, we suggest asking yourself: **what am I going to do differently this time?**

Be a good scientist—ask creative questions.

Top Ten Things to Experiment With for CRO

- 01 Call-To-Actions (CTAs)
- 02 Website and messaging copy
- 03 Navigation and site structure
- 04 Page speed
- 05 Relevant imagery/brand logo
- 06 Landing page design
- 07 Value proposition of your product or service
- 08 Headlines
- 09 Offers and promotions
- 10 Mobile vs Desktop



SECTION 4

An Example of Successful CRO in eCommerce

Casper

Sleep startup [Casper](#) is dedicated to developing the perfect sleep environment and delivering it directly to the customer's door. When Casper evaluated their checkout funnel in, they found that over 80% of users chose courier delivery over standard UPS delivery. Using A/B testing, Casper moved the “same-day courier delivery” option to before checkout. The change produced a 100% increase in the number of people who wanted to know about shipping methods, and a 20% increase in conversion rate.

RESULTS:
20%
increase in
conversion rate

Huel®

Huel is a company on a mission to change the way people think about food, with meals that are convenient, affordable, and nutritionally complete, with minimal impact on animals and the environment. By getting granular in building funnels and understanding user behavior, and ramping up A/B testing and personalization, the team was able to break down user behavior by product, entrance channel and country. After using this data to realize that some parts of the team's marketing plan weren't playing out as expected, Huel adapted their product merchandising strategy. In some markets they've since achieved over 30% increase in new customer conversions.

RESULTS:
30%
increase in new
customer conversions

That's using data for CRO!

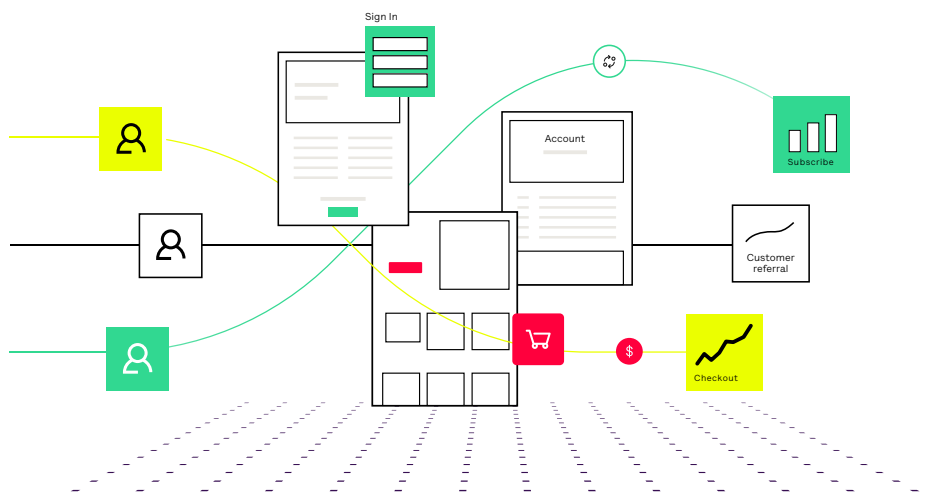
In Conclusion

Every business has a strategic responsibility to do CRO, and you will always benefit from converting eyeballs into paying customers. We hope that after reading this guide you're convinced that a scientific method, supercharged by data science, is the best approach.

With CRO, there is always room for improvement.

CRO is an ongoing process. The beauty of it is that even the smallest change can lead to increased revenue. If you have questions or thoughts, or simply want to know more about Heap's approach to product management, we encourage you to visit us at heap.io.

Best of luck with your optimization!





About Heap

Heap is the future of digital insights. Heap's low-code, easy-to-use digital analytics software illuminates key digital behaviors and pinpoints valuable quantitative and qualitative insights so teams can quickly act with confidence and create the best possible digital experiences. Over 8,000 businesses trust Heap to increase revenue, improve conversion, accelerate decision-making, and drive business impact at scale.

Visit heap.io to learn more.