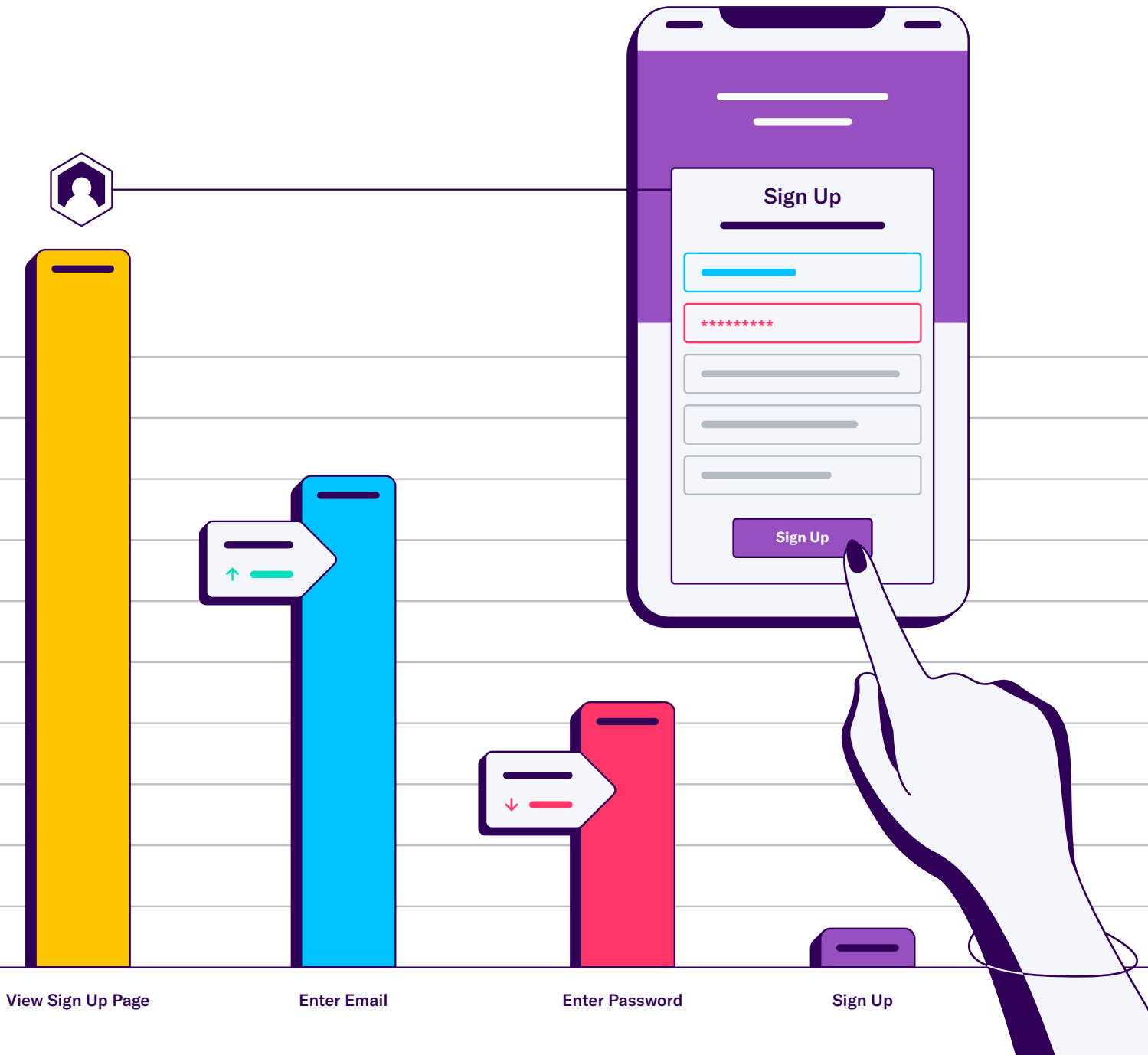




# The Ultimate Guide to Conversion Rate Optimization

## 7 Steps to Improve Conversion

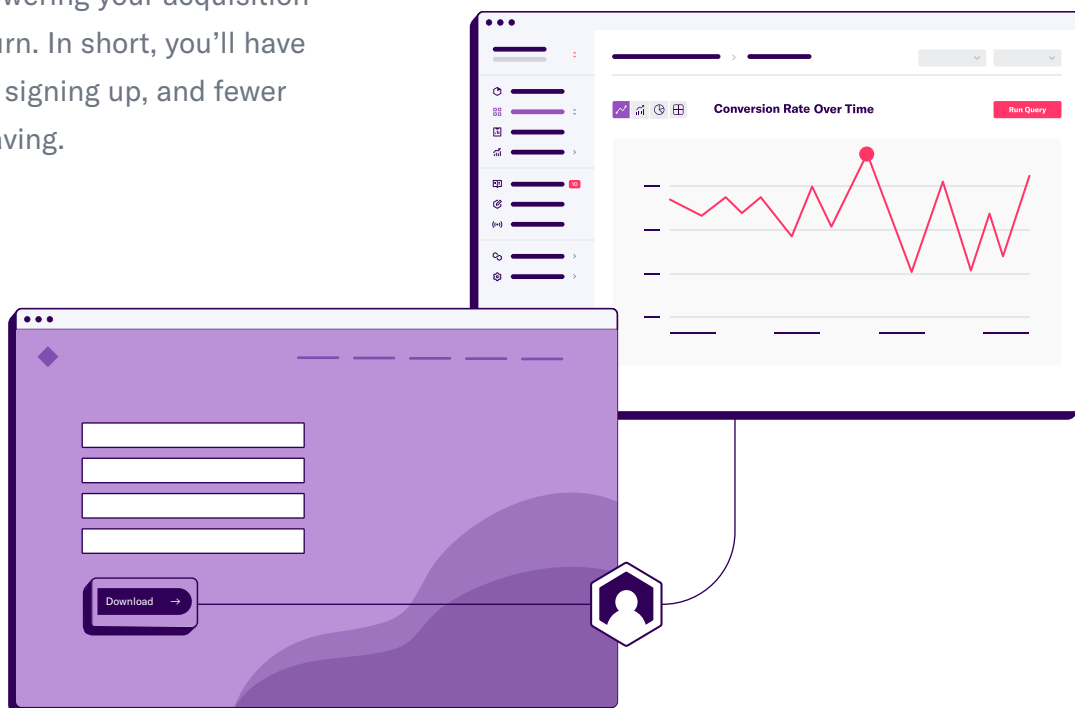


# Why should your company care about CRO?

**Conversion Rate Optimization is the process of increasing the percentage of your users who perform a desired action. The ultimate conversion is often a sale, but the conversion event you're interested in may be any step along the way: creating an account, downloading an ebook, signing up for a newsletter, or filling out a form. (Among many others!)**

CRO helps you get the most out of your users by pinpointing what drives conversion and where people drop out of your funnel. You can then use this information to reduce friction in your product and target the users most likely to convert. Whatever business you're in, prioritizing CRO will increase retention, engagement, and marketing ROI, while lowering your acquisition costs and reducing churn. In short, you'll have more happy customers signing up, and fewer unhappy customers leaving.

**Ready to get started? Here are the seven key steps you can take to reliably improve conversion, over and over.**



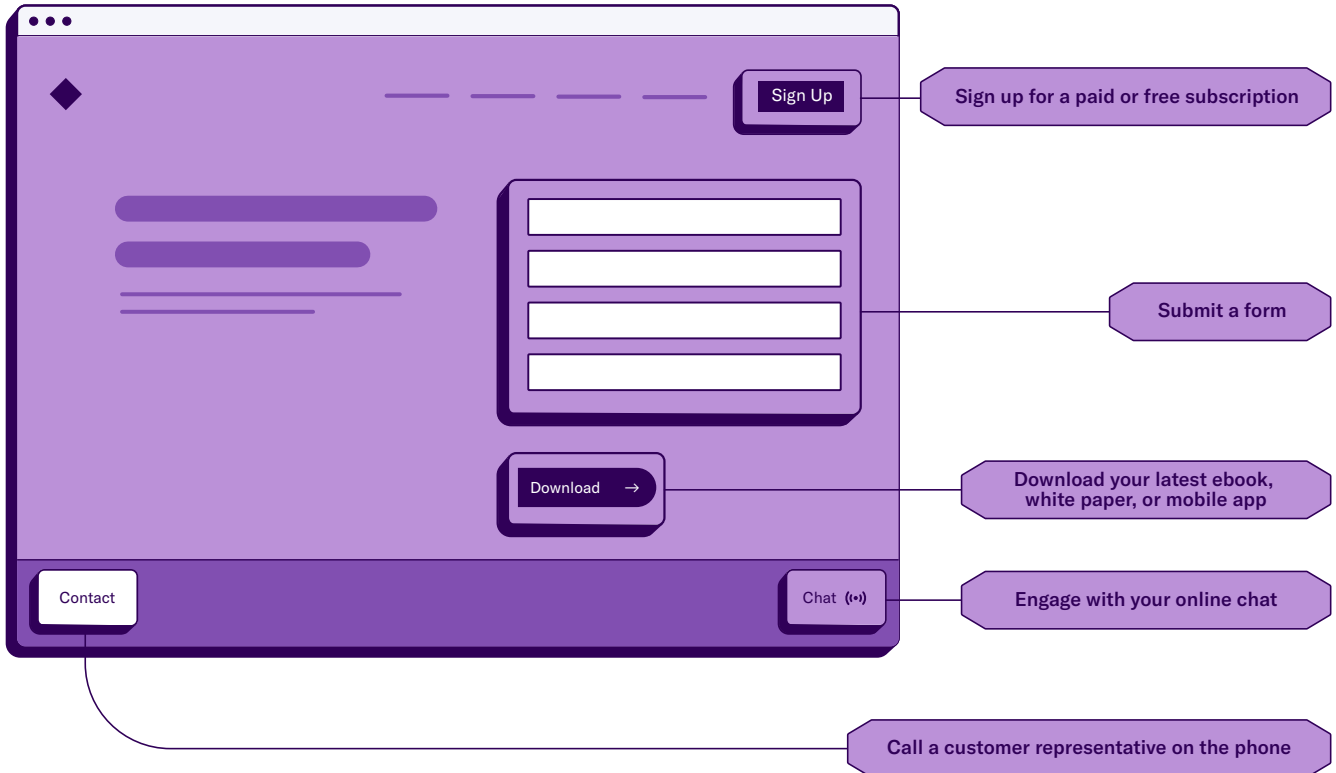
## Step 1:

# Define your primary conversion event

Figuring out what to focus on will depend on your business goals. Get clear on what matters most to your team and product. What's the critical action you want visitors to take? This action can be anything you want to measure.

The ultimate conversion, of course, is making a sale and getting paid!

**PRO TIP:** Each step along the path to a conversion event is called a micro-conversion. Marketing teams should look closely at these for potential campaign opportunities.



## Step 2:

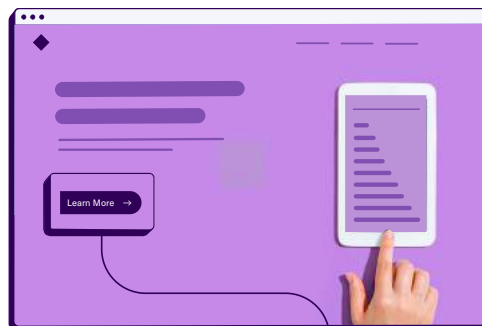
# Create a funnel by mapping the steps to your event

Funnels are a great tool for understanding how users respond to each stage of their customer journey.

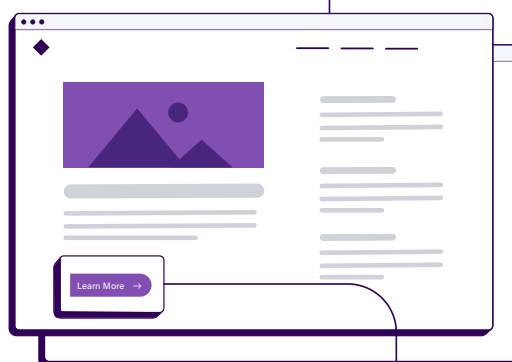
Here's a general example of a funnel that could work for many different types of business websites.

**PRO TIP:** Your conversion funnel should have between 4 and 6 steps, no more.

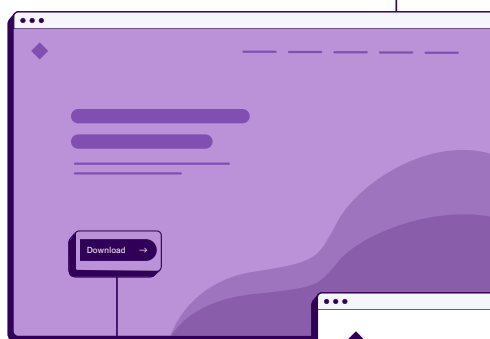
### Land on homepage



### Browse subpages

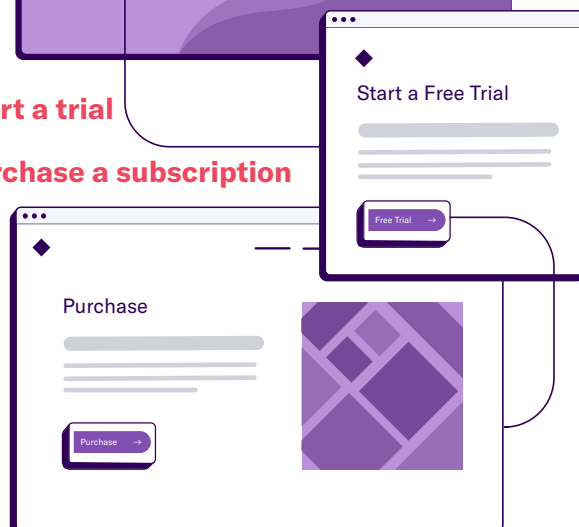


### Download content



### Start a trial

### Purchase a subscription



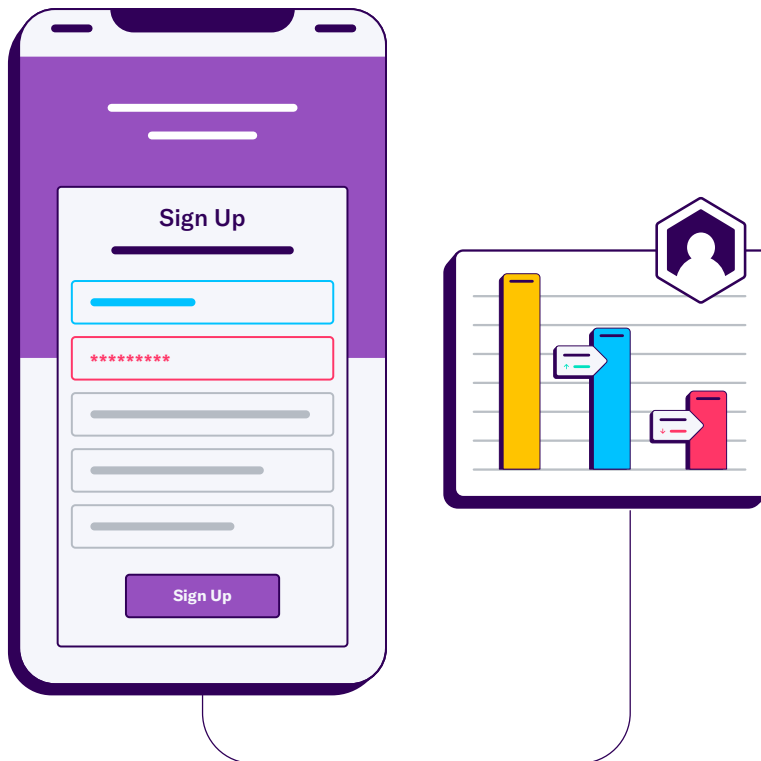
**Step 3:**

# Identify and analyze dropoff points in your funnel

**Dropoff points are a major opportunity. By dropping off, users are telling you exactly where they're losing interest. If you find out why, you can change that.**

The best way to identify dropoff points is to perform a **funnel analysis**, examining a series of events to see the number or percentage of users that drop off at each event. A good [funnel analysis tool](#) can break down this information into any number of behavioral and demographic segments, so you can compare completion rates at each step across all groups.

**PRO TIP:** Isolating dropoffs is easier when you have an analytics platform that [automatically tracks](#) user data. Otherwise, you'll have to manually track every single event in the funnel. This not only makes the task far more tedious, it also means you (or your busy team members) are less likely to bother doing it.



**Step 4:**

# Use path analysis to get granular

Now it's time to focus on problem areas. [Path Analysis](#) reveals the actions people tend to take before and after converting or dropping off. Are users following your ideal conversion flow, or doing something else instead?

**In path analysis you're doing two things:**

1. Looking for small fixes that yield big dividends
2. Trying to understand how the typical user navigates your site

Examine each click around the dropoff points:

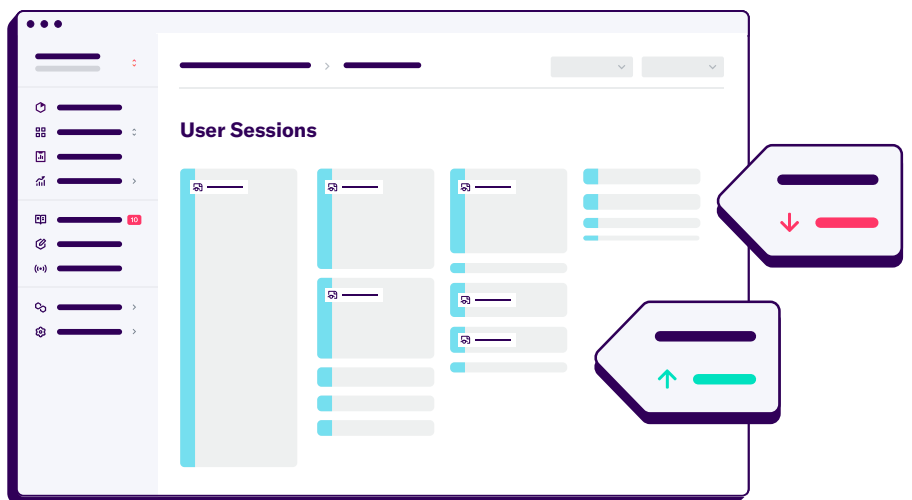
*Which ones cause most users to leave?*

*Are there any specific places people get stuck?*

*Is the issue a technical breakdown, or is it the UX flow?*

**PRO TIP:** By targeting users that dropped off at a particular step, you can create specific marketing campaigns to entice them back to your site.

You may discover hurdles that you were previously unaware of, or glitches that consistently blocked users from reaching the next step in the funnel.



## Step 5:

# Segment by behavior with cohort analysis

**Behavioral segmentation** is an incredibly powerful CRO strategy. You do it by segmenting your users into groups (known as cohorts) based on actions they take or haven't taken on your site.

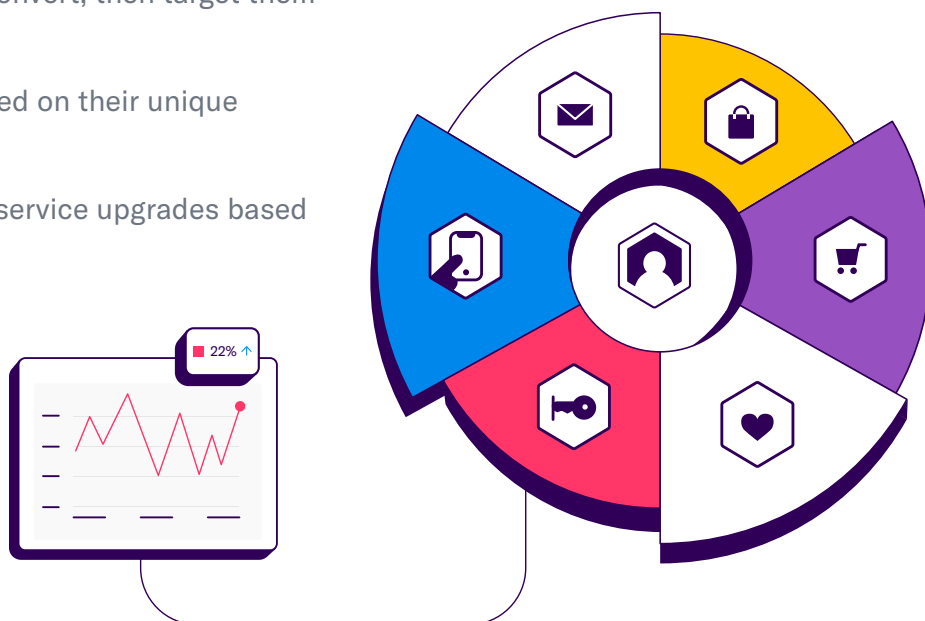
### Behavioral segmentation can uncover correlations like:

- Do users who convert read your blog posts?*
- Does leaving a review correlate with conversion?*
- What about saving a report?*
- Or completing a personal profile?*

**PRO TIP:** Track and analyze your cohorts incrementally over time to gather the most actionable insights. You'll discover new ways to strengthen interactions and build customer loyalty.

Look for behaviors that predict conversion, so you can orient your product around encouraging those behaviors. The possibilities with segmentation are limitless:

- Identify (and reward) your most loyal customers
- Find the customers who almost convert, then target them with re-engagement campaigns
- Personalize user experiences based on their unique path to conversion
- Tailor your product to encourage service upgrades based on user behavior



**Step 6:**

## Consider your sources: who's visiting?

**In addition to improving the overall site experience, CRO will indicate which user groups are the best bets for conversion, so you can better target them and meet their needs.**

For **SaaS products**, try analyzing conversions by user type. For example, if you learn that VPs convert at 2x the rate of ICs, you can use that knowledge to tailor your product to VPs, or tell your sales team to sell to more VPs.

For **eCommerce**, you want to optimize pages for sales, so track how people browse your site. Do photos with people enjoying the product convert better than the product by itself? Are pop-ups offering discounts effective? Do customers read your blog? If you know where they're looking, you can influence them.

For **FinServ**, the point is to get qualified people all the way through the application funnel. So focus your efforts on bringing in fewer high-quality prospects, versus attracting thousands of casual visitors, which will burden your efficiency.

Group segmentation will also expose low engagement. Maybe it's time to stop marketing to that segment that isn't getting any traction, and start creating campaigns to incentivize first-time visitors, or to re-engage inactive users. You can personalize each campaign once you have your segments clearly defined.

**PRO TIP:** *The only limit to segmentation is your imagination — the more ways you can slice up the data, the more likely you are to stumble onto an underserved segment. Here are some ideas to get you started:*

- *By demographics: title, industry, geography, income level*
- *By behavior: documents downloaded, time on site, FAQs read*
- *By marketing channel: social media, search engines, partner sites*





**Step 7:**

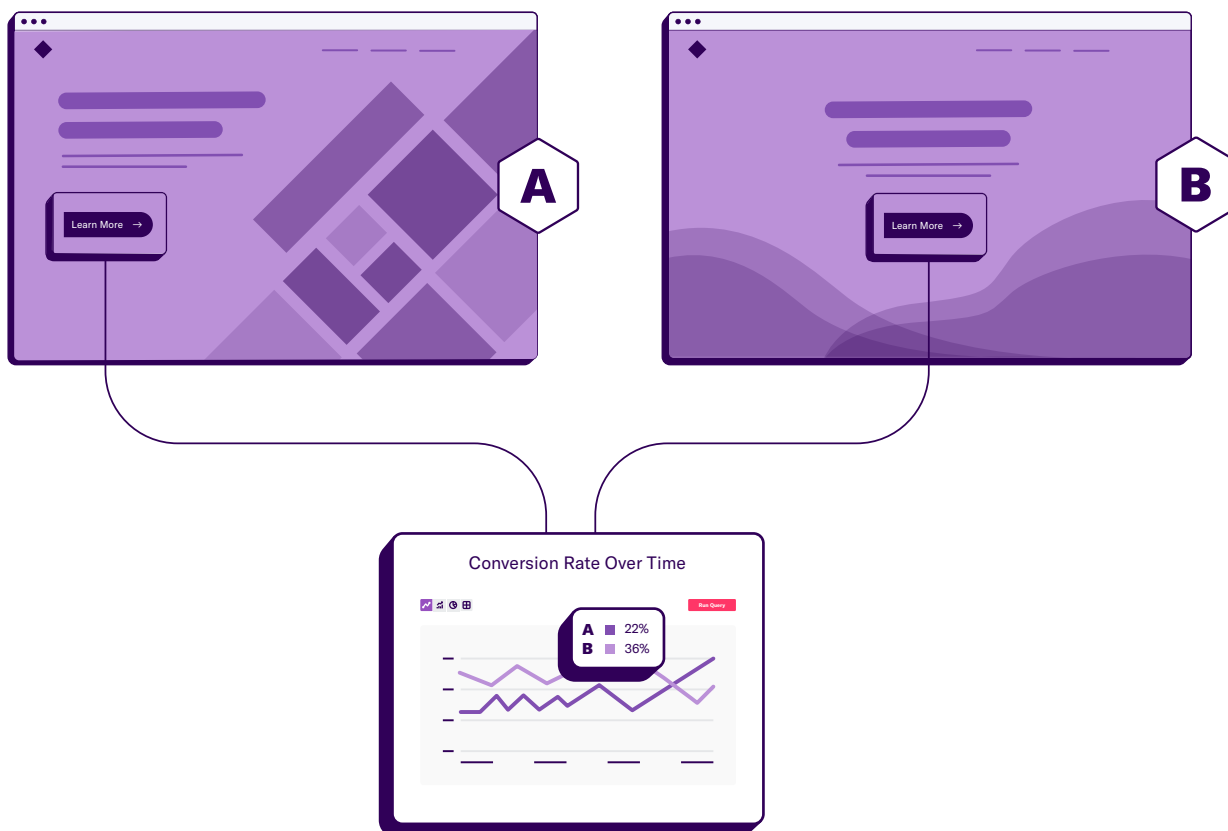
# Hypothesize. Test. Measure. Repeat.

The guiding principle to data-driven CRO is to use data to make informed hypotheses, and learn as much as you can from each test. After all, there's no better way to improve your product than to learn everything you can about how people use it, where they're coming from, and what problems they have.

Be a good scientist. Ask creative questions. Probe the information you have to figure out answers. Then make improvements geared towards meeting your larger business goals.

**PRO TIP:** The secret to CRO: the more you measure, the easier it becomes.

CRO is an ongoing process. The beauty of it is that even the smallest change can lead to increased revenue.



## Customer Examples:



### FinServ:

[OppLoans](#) gives non-prime borrowers a better alternative to payday lending. Heap's funnel analysis helps OppLoans quickly identify and eliminate friction in the customer experience. When Heap showed the Marketing team, with specificity, how the fourth step in their funnel was broken, they were able to make meaningful improvements to their pre-pop experience. The result: *a seven-figure lift in new issued principal annually, and a five-percent increase in conversion rate for direct mail.*



### eCommerce:

[Huel](#) makes nutritionally complete vegan meals with minimal impact on the environment. Heap's ability to make granular detail actionable in minutes — not days — has enabled Huel to perform super fast funnel conversion and traffic analysis, drilling down by country, product type, and marketing channel. *With insight coming from Heap, Huel adapted their product merchandising strategy — and achieved an increase of over 30% in new customer conversions!*



### SaaS:

[Freshworks](#) is a customer engagement software company that revamped their onboarding experience to drive higher trial conversion. Heap's [Virtual Events](#) helped product and design teams to quickly evaluate the impact on product engagement. *Micro-optimizations to the onboarding flow improved feature adoption by twenty percent!*



## Final thought

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Every business has a strategic responsibility to do CRO, and the key to building a great product is to keep asking questions. We hope that after reading this guide, you're convinced that the scientific approach is the best method for CRO. Experience shows that diligently applying these seven steps will lead to significant improvements in conversion.

If you have questions or thoughts, or simply want to know more, visit us online or reach out to us at [support@heap.io](mailto:support@heap.io).

**Best of luck with your optimization!**



### About Heap

Heap's mission is to power business decisions with truth. We empower product teams to focus on what matters — building the best products — not wrestling with their analytics platform. Heap automatically collects and organizes customer behavioral data, allowing product managers to improve their products with maximum agility. Over 6,000 businesses use Heap to drive business impact by delivering better experiences and better products. To learn more, visit us at [heap.io](https://heap.io).

