Conversion optimization is a hot topic for most companies. As an online marketer, you need to stay on top of the latest technologies and trends, figuring out which specific actions to take to improve your online marketing results as well as company revenues. No matter which business you’re in, online sales and marketing play a role in your growth, and sometimes a very significant one. Whether it’s lead generation, ad impressions, credit card applications, branch locations, or selling products online, it’s all about converting visitors into loyal and paying customers. In this guide, Adobe and Comcast share how to best leverage data to more effectively improve and optimize online marketing outcomes.

Is your marketing funnel leaking?
Conversion rates across industries are about 6% on average (3% is typical in retail; travel is higher). Why isn’t online marketing doing better? Why do we accept low online conversions? If 97 people out of 100 who entered a brick and mortar store bought nothing, we'd consider that a disaster. In fact, we'd think it downright rude if 50% of shoppers filled their baskets or shopping carts and then walked out of the store leaving everything in the aisle or in the checkout line.

Websites are often thought of in the context of a conversion funnel, but sadly, many are more like sieves than funnels, leaking customers at every touchpoint. These customers have all expressed an initial interest in your products or services; otherwise, they wouldn’t have landed on your site in the first place. The trick is to create experiences, content, and offers that are so relevant and compelling that you keep your visitors, steer them through an optimized experience, and meet your business objectives by seeing sales and lead generation improve no matter what your business is trying to accomplish online.
Thinking about your own online marketing efforts, in what ways can you relate to the leaky bucket?

This example conversion funnel is based on real data from an Adobe customer. It shows portions of the conversion funnel where its visitors were being lost. Imagine if you had seven million people hitting your homepage every month. That would be pretty tremendous, and you would probably be spending a lot of money to bring them there through multiple efforts and channels. But then imagine how you would feel if you were losing over 30% of those visitors as soon as they arrived.

Of the 7 million, only 114,000 people have completed orders. This translates to a conversion rate that’s less than 2%, but as a matter of fact, there are companies out there that would love to have a conversion rate of 2%. Industry averages, depending on the vertical or industry you’re in, tend to hover in the low single digits.
Conversion optimization: What is the goal of your site or application?
The first step to optimizing conversions is being clear about your organization’s goals for online sites and applications. Whatever marketing effort or campaign you’re undertaking, what are the desired outcomes? What do you hope, in the end, to accomplish?

Obviously, if the goal is lead generation and you’re a high-tech or B2B company, a lot of what you’re doing online is trying to connect potential buyers with your sales people. If, on the other hand, you’re leveraging your online presence to book meetings or to inform and educate, you’re looking for more qualified leads and a quality customer experience. If you’re a media or publishing company, you’re looking for engagement or how best to bring people on the site and encourage them to come more often.

Once visitors are on your site, how do you get them to stay longer? The longer they stay, the more ads they’re seeing, the more opportunities you have to present them ad impressions, and other things that help generate revenue. Online retailers are obviously looking to get people to add things to their shopping cart and ultimately buy. In other cases, conversion optimization might be all about cost savings:

- How can you take your online business and make it more efficient and cost-effective?
- Can you optimize your search engine optimization (SEO) in a way that saves money on your paid search campaigns?
- Can you more effectively leverage your website to answer people’s questions to reduce the number of calls coming into your call centers?

What are you measuring?
Collecting data is no longer the challenge—94% of global data is now stored digitally. The challenge is acting on data and knowing what to use when and for what.

What are you measuring? What (really) matters? Which changes will make a difference?
It’s not uncommon for marketing professionals to become myopically focused on one thing, like how many clicks are coming through the home page. But have these marketers considered which click-throughs are the most valuable? Are click-throughs even really the most important metric? If you can measure all the way to revenue, maybe there’s something else that should be the primary metric, even from the home page or any one of the pages in the funnel.

Although there’s no question that having the data is valuable, being able to understand and act on that data is the key to online marketing and business optimization. And then, after the data is in hand, how quickly can you act on what the data is telling you? How quickly can you alter or improve the user experience to bring business back in line, or bring business above line and see the improvements that you need to hit your goals for the year?

Putting your data to good use

We know a lot about our customers and can put it to good use.
What do you know about your customers? How can you put that information to the best use? Most companies are now in a position to observe site behavior and make some assumptions about what they’re seeing. When you look at site behavior on its own, you have a somewhat murky but initial valuable view of who your customer is. It gets more interesting when you can start laying on other variables, such as where these individuals are coming from, at what time of day, from what device, browser, screen resolution, and so on. As you continue to layer on information that includes offline variables like customer relationship management (CRM) data or point-of-sale data, you can get a highly predictive set of anonymous customer profiles. Anonymous is an important term here because you certainly want to respect the privacy of your customers. At the same time, you want to come up with a crisp idea of who individuals are and how they are wanting to interact with your company.

What data sources are you currently including in your optimization program? Which ones would you like to go after?

Some data are more important than others for your business.

- **Retail Sites**
  - Cart abandonment
  - Frequency of purchase
  - Average order value

- **Media Sites**
  - Page views
  - Frequency
  - Content affinity

- **Financial Services**
  - Account types
  - Account behaviors
  - Balances or credit score

- **B2B**
  - Product affinity
  - Registration status
  - Demand-generation stage

Depending on your business, some categories of data are more important than others. You need to decide which key data trigger points to model a marketing campaign after. If you’re a retail site, cart abandonment, frequency of purchase, and average order value might be most important. If you’re a publisher or media site, you might be looking at total page views, how frequently your customers visit your pages, and what pages they’re viewing most often. If you’re in the financial services space, you’re looking at account types, account behaviors, and credit scores. And in the B2B space, you would care most about what products your customer or prospect has expressed interest in, registration status, and upsell versus first-time sale opportunities.

After you have the data, how do you rank and segment your visitors? Are they warm leads? Is this the first time you’ve seen them? Have they downloaded a white paper? Have they come from a social media channel? All these things allow you to view your individual customers in a segmented way, and they give you the insight to start thinking about how you could treat these individuals in a more relevant way based on what you know about them. When you have that understanding, you’re in a position to start optimizing for conversion—you can move away from the generic and into a more relevant personalized space.
Building a culture of testing and optimization at Comcast

Comcast is one of the world’s leading media, entertainment, and communications companies. It is principally involved in the operation of cable systems through Comcast Cable and in the development, production, and distribution of entertainment, news, sports, and other content for global audiences through NBCUniversal. Comcast Cable is one of the nation’s largest video, high-speed Internet, and phone providers to residential and business customers.

Like all large enterprises, Comcast has many competing priorities within its vast organization. Knowing that, the marketing team needed to find a way to get its testing and optimization practice off the ground and, if possible, regarded as a highly valuable function within the company’s culture. Overcoming organizational inertia is the difficult part. People often think that testing, analytics, and technology are the most difficult parts of an optimization program, and they focus a lot on these pieces. Actually, that’s the easy part compared to overcoming the culture in many large and midsize organizations.

So how do you overcome organizational inertia and build a culture of testing and optimizing?

Comcast’s six rules for overcoming organizational inertia

Based on its own experience, Comcast has laid out six rules for overcoming organizational inertia. Although there are differences between companies, these rules are pretty basic and should help all online marketing professionals get to where they need to be.

Rule #1: Proofs of concept work

It’s always good to start with a proof of concept because it lowers risk and internal barriers. When Comcast first started building a culture of testing and optimization, it needed resources and backing. The team launched a simple A/B test using Adobe® Test&Target™. It was basically two pieces of creative, and an internal developer wrote some code. The test produced a quick win, and team could show the results to management, who loved it. As a result, they wanted to do more. Proofs of concept work, and they help lower the barriers for entry.

Rule #2: Get a quick win

When Comcast first started building a culture of testing and optimization, it needed resources and backing. The team launched a simple A/B test using Adobe® Test&Target™. It was basically two pieces of creative, and an internal developer wrote some code. The test produced a quick win, and team could show the results to management, who loved it. As a result, they wanted to do more. Proofs of concept work, and they help lower the barriers for entry.
After you get a proof of concept completed, start building on it immediately. Use proof of concept testing to produce quick wins, and then publish those wins to your organization to broaden acceptance, demonstrate value, and build momentum for your optimization program. Remember to keep it simple—that’s the whole idea around quick wins.

Rule #3: Always cheerlead your practice

You need to be your program’s most enthusiastic advocate. You should be evangelizing about testing and optimization all the time. Talk to people internally about what you’re doing and why it’s important.

Rule #4: Align test plans with a profit center

A lot of times people can get through the first three rules, but then they stumble at Rule #4, primarily because it involves money. The analytics team is typically an operations team that is seen as a cost center to the business. It’s not like sales, marketing, or media, which is seen as driving revenue. If testing and optimization sit with the analytics team, make sure that the person who is going to be driving your strategy holds the organizational purse strings. That person usually sits in a revenue-generating function like marketing or sales, so align your testing and optimization practice with those revenue-generating units. Finance is extremely critical—no money means no testing.

The testing and optimization practice is like karma—the more you give, the more you get back. So you have to make other people successful in your organization, and they will make you successful by investing back in your testing and optimization.

Rule #5: Hire rock star analysts
After you have the money, make sure that you have one or more rock star analysts on your team. Only then will you be able to fully understand what your data is telling you, unearth those most valuable nuggets of information and insight, and decide on the best actions to take to optimize your company’s online results.

Rule #6: Start small

When you have some proof-of-concept wins in place, your efforts are aligned, you have the money, and the required resources are onboard, you can start to build momentum. When Comcast started, it was doing approximately one test per month. Now it is doing an average of 2.5 tests a week, which represents high-velocity testing. It has timelines for when content is due, when code is due, when QA is due—it’s almost like a production assembly line.

Testing and optimization is not the cavalry, it’s the SWAT team!

Testing and optimization are typically a cross-functional activities that sit between content, user experience design (UX), IT engineering, and analytics. Engineering wants to control the code, content wants to control the content, usability wants to decide what the UX flow is, and analytics gets pushed to the back of the bus. Your engineering team can just go ahead and build because you have the data to back up requested changes. IT is the cavalry. As the team in charge of testing and optimization, you are the SWAT team. You can jump into the action, test a concept, see if it works, get it implemented, and quickly move on to your next mission.

Like most companies, Comcast has a long IT engineering release schedule. If you want to get anything done on the website, you need to make sure in advance that it works. Without the ability to test and optimize, that would be a difficult task. No one wants to find out six months later that something doesn’t work, so testing and optimization play a critical role.

With Adobe Test&Target, Comcast can rapidly test concepts to see if they work. If they don’t, they’re not going to be implemented. This makes the testing and optimization team look like heroes to the business. It also helps manage engineering prioritization. If you pitch to your IT engineering team that you can help them reduce their workload, they are always going to love you for it.

Organizing with the SPADE model

The beauty of testing and optimization is that you can test a concept and if it works, everyone is a believer.

So how does Comcast organize its optimization efforts for success? It follows what it calls the SPADE model, a methodology that has five functional areas with five lead functional people on the testing and optimization team.
Strategy

The SPADE model starts with strategy. What are you testing, why are you testing, and how are you testing? These are all critical decisions, and having a strategy can help you maintain a singular focus that aligns to the right profit center (either a revenue-generating function or a cost-saving function). The strategy generally comes from a senior-level executive on any one of the teams that are responsible for profit and loss or your budget. When you start getting successful with testing and optimization, you’re going to get a lot of requests to do a lot of things, and you want to make sure that you’re working on the right things at the right time for the right reasons. Listen to your executive sponsors and focus on what makes them look good.

Project management

The P in SPADE stands for project management. Here you need a great quarterback, someone who is going to field those myriad requests, talk to engineering, content, the UX team, and the people who are driving strategy for your testing and optimization programs. Good project managers know how to work well in cross-functional environments pull all those different disparate pieces together. They are typically hyper-organized and keep everything on track—when content is due, when the code needs to be deployed by engineering, when the next test needs to be planned, what that test should look like. When test results come in, they can ensure that they are being communicated to the appropriate stakeholders. This person doesn’t necessarily need a lot of technical skills. Rather what you want are strong project management skills. A strong project manager is a critical success factor for your testing and optimization program.
To avoid “analysis paralysis,” it’s best to have fewer key performance indicators (KPIs) and keep them simple. What are your business goals? What exactly are you testing for? What are the variables and what are your desired outcomes? Always define your KPIs before you go into a test, not after. And always test and analyze before making any changes to your website.

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Design and content

As long as you’re testing and optimizing, it doesn’t really matter what kind of design agency you’re working with. You can test whatever proposals they offer to see what works and what doesn’t. Your design agency is important because it gives you content and concepts to test, and you are then free to vet any kind of design. That’s the beauty of testing and optimization.
The E in SPADE stands for engineering. A lot of engineering teams use the waterfall method of code development for their software development lifecycle. But for testing and optimization, you need to use the agile method, where you’re rapidly testing and deploying code. Unlike this Dilbert cartoon, agile programming doesn’t mean no QA. You definitely have to QA your code before it goes on the website. The agile method allows you to move and evolve with your customers but still mitigate development risks to your site. You want to be able to take advantage of opportunities as they present themselves and avoid becoming out-of-date and out-of-touch with what customers are looking for. You should also try to get at least one developer onto your team so that you are all under one functional umbrella.

Which elements of SPADE might you use to strengthen your testing and optimization efforts?

Getting results

Starburst Test

In the very first test that Comcast ran, two experiences were tested. In both experiences, the customer was shown a $200 special offer in the shopping cart area, but it was called out more prominently in version B using a starburst. Version B saw a 44% lift in the conversion rate, which was significant. Those results paid for the entire testing and optimization practice. It was an easy and simple test and encouraged Comcast to do more.
Comcast not only saw a 44% lift in its conversion rate using the starburst, but it also saw an 18% shift in customers buying the premium tier as well. This raised Comcast’s average revenue per unit number. All in all, a very good way to kick off testing and optimization.

Another simple test that Comcast ran was a banner ad test on the home page for its voice product. Adding a simple “Best price” tag to experience B increased the click-through rate by 2.35%. Comcast’s home page gets millions and millions of hits, so a 2.35% increase in click-throughs is significant. Generally, it’s not the big things that you change. Rather the many small things that you do collectively have a bigger impact. It doesn’t have to be complicated. And you don’t have to start with a multivariate test. You can start with a simple A/B test, and the results will speak for themselves.
Occasionally, Comcast partners up with celebrities such as Jane Lynch (Glee) or Neil Patrick Harris (How I Met Your Mother). By testing pages with different celebrities featured, Comcast has been able to identify those who bring measurably increased click-through rates. Testing is really the only way to identify which featured celebrities work and which ones don’t.

Emerging industry trends
What is the future looking like for online testing and optimization? Based on conversations with many different organizations, the Comcast team sees these as likely trends in the next 12–16 months.

Multichannel conversion optimization

Multichannel Conversion Optimization

This Forrester Research graph shows U.S. online and web-influenced retail sales from 2009 through 2014. It forecasts that by 2014, 53% of all offline sales will be influenced by an online interaction. What that means is that people will increasingly come online to do their product research, and they will continue buying products both online and offline, hence the concept of multichannel conversion optimization.

Multichannel conversion optimization builds on the belief that your testing and optimization practice can show differentiated content to a customer and assess the different business outcomes through powerful multichannel products like Adobe Insight. Adobe Insight enables organizations to quickly analyze large volumes of rapidly evolving data in real time. The visualizations provided allow users to immediately infer meaning and make quick business decisions that improve overall business performance. Adobe Insight accepts data from any source, including data warehouses and business intelligence tools, and it is a key component of the Adobe Digital Marketing Suite.
Intelligence + Knowledge = Awareness

Many organizations use targeting tools or predictive optimization platforms. Adobe Test&Target 1:1 is an excellent example of this kind of technology, because it can serve differentiated content to various customers, building intelligence and increasing conversion rates. Test&Target 1:1 looks at roughly 250 different parameters in real time. It creates a data model about the onsite behavior, looking, for example, at the keywords searched, the referring URL, the IP address, or the specific time period. Based on that intelligence, it then tries to build a model that predicts the best creative to show each customer.

Valuable as that is, it’s important to note that all Test&Target parameters are about the customer’s onsite behavior. To move from intelligence to knowledge requires integrating third-party online and offline segmentation data coming in from your CRM system or from other data sources. Adobe recently purchased a data management platform called Adobe AudienceManager where you can use multiple third-party data sources from your ad networks. This can now be integrated into the Test&Target platform so that you not only have an intelligent tool that knows what to show the customer, but you also have more complete knowledge about customer behavior (which websites customers have visited, products they’ve purchased, social networking sites they’ve logged in to, and so on). That rich set of offline, third-party data combines with the onsite business intelligence that Test&Target provides to create a model that moves from intelligence and knowledge to your ultimate goal: awareness and actionable insights.

To view this webinar:
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