Conversion Rate Formula

Increase Your Sales with this Simple Formula
A Conversion Rate Optimization Guide for Beginners

by John Muldoon

You have probably read tons of advice about "how to build more traffic" to your website or blog. You won't find any traffic-building advice here.

Why not?

Because *getting traffic to your site is only half the formula for success online*. Success is determined by what your visitors do *after* they arrive on your site.

Success Online = Traffic + Conversions

In this guide, you will learn how to **increase your sales without needing more traffic**. You're going to learn how to increase your conversion rate so you can improve your online marketing results at any level of traffic.

I have organized this guide to give you both a foundation of knowledge **and** a specific set of actions to take. I don't only want you to learn; I want you to take action and get great results.

I will also show you a real-world case study where *I doubled a client's conversion rate* by re-designing her homepage.

Still with me? OK, let's jump right in.

What is Conversion Rate Optimization?

Good question! A simple definition of Conversion Rate Optimization is: *getting more of your visitors to take the specific actions you want them to.*

Let's talk about your website goals.
You (hopefully) built your site with some goals in mind. When a visitor reaches one of your goals, that's called a "conversion".

Your conversion rate is the percentage of people who come to your site and take your desired action. So if 2 out of every 100 visitors completes your goal, you have a 2% conversion rate. Simple.

Selling Products
If you sell products through your website, your goal is to make sales. So, your conversion rate is the percentage of visitors who makes a purchase. Now, not everyone sells products through their site. That's ok. You just have a different definition of a conversion. Here are some other examples:

Selling Services
I run a consulting company, and we do SEO and Conversion Rate Optimization. We sell services, not products, so our goal is different. For us, a conversion happens when someone fills out a form to request a consultation. That's our "conversion event", our desired action.

Getting Subscribers
If you're a blogger and you don't sell products or services, your goal might be to get people to subscribe to your mailing list or RSS feed. For you, a subscription is a conversion.

Great, now you know what your conversion rate is.
How are you supposed to increase it?

The Power of Multipliers

Traffic & Conversions are the keys to success online. They are also multipliers on one another.

A Scenario:
If you have 10,000 visitors per month and a conversion rate of 2%, you can expect to make *200 sales per month.*

How to double your sales:
Increase your traffic to 20k/month OR Increase your conversion rate to 4%

What if you do both?
If you had 20k visitors per month AND a conversion rate of 4%, you'd expect to make *800 sales per month.*

That's a **400% increase** overall.

Principles of Conversion Rate Optimization

First, a few notes: I really don't like using technical jargon. I'm guessing you don't like it either. Some of the concepts you'll be reading about do require a bit of definition. Bear with me. I'll do my best to define new terminology as I introduce it.

You get the power of Conversion Rate Optimization. So, how do you actually do it? What are the rules?

You're going to learn:

- Seven important principles that drive conversions

- How to implement those principles on your site

- How I doubled a client's sales in a real-world case study

Ready. Set. Go.

Principle # 1: Qualified Traffic

I know I said I wasn't going to talk about building traffic, but I do want to stress the importance of your traffic being "qualified". By that I mean your visitors should naturally be people who are interested in what you sell. **You and your visitors should have mutual goals.**

You're probably already doing a good job of this because the web tends to organically put people in the right place. You can take this a step further. If you're targeting keywords in an SEO or Pay Per Click campaign, make sure you're targeting keywords that show a "purchase intent".

So, if you sell jewelry through your website, you should target *specific* keywords like "buy jewelry online" rather than *broad* terms like "history of jewelry design". People searching with active words like "buy" are more likely to convert to a sale.

Principle # 2: Have a Clear Call-to-Action

When a visitor lands on your site, the first thing they do is try to get their bearings. In an instant, their mind is trying to answer the question, **"What am I supposed to do here?"**

Your visitors do this immediately, and if they can't answer the question within 2-3 seconds, they're probably going to leave.

It's your job to answer their question by telling them exactly what to do. This is your call-to-action. Your job is to get people closer to a conversion. Here are some guidelines on creating a clear call-to-action:

1. **Make your call-to-action obvious.** This is crucial because you only have a few seconds for visitors to decide whether to stay on your page. Your call to action should be very clear and obvious. One of my favorite books about website usability is called "*Don't Make Me Think*". You don't have to read it—the title really says it all. That's your #1 rule. If you design your page and your call-to-action so that visitors immediately know what to do, you'll increase your conversion rate.

2. **Make sure your call-to-action is "above the fold".** Visitors should be able to see your call-to-action without scrolling. Place it near the top of the page. Remember, not everyone has a large screen.

3. **Your call-to-action should stand out visually.** Every element on your page is competing for attention. It's important that your call-to-action stand out. You can do this by making it a different color, surrounding it with open white space, or using layout to make it stand out. Use your headline to support your call-to-action and de-emphasize everything else except your call-to-action.

4. **Make it look clickable.** Your call-to-action should be and look "clickable". Buttons and links should both look clickable.

5. **Set Expectations.** Your call-to-action should set an expectation that entices your visitors to click it. If your desired action is for them to buy now, your call-to-action should say that, "buy now". That has a clear meaning, and sets an expectation that if I click "buy now" I will be able to make a purchase. It's also crucial to <u>follow up on the promises you make when you set expectations</u>. More on that later.

6. **Use Active Language.** Your call-to-action should use active language. Whatever action you want people to take, use language that represents it. Active language usually starts with a verb. You're telling your visitors to do something. Here are some examples:
   - Learn More
   - Buy Now
   - Download Now
   - Get a Quote
   - Read the Article
   - Get Instant Access

Take Action

Go through your website now and look at your pages.
- Does every page have a clear call-to-action that gets your visitors closer to conversion?
- Are your calls-to-action visible without scrolling?
- Do they stand out visually?

One of my favorite exercises is to look at a website from far away. Open your website to one of your important pages (your homepage, your product sales page or your landing page), but don't look at the page—look away for now. Scoot your chair back 5 or 6 feet (so you can't read normal sized text). Close your eyes for a few seconds, and then quickly open them. You should instantly be able to see what you're supposed to do on your page. Change your design until you can instantly spot the call-to-action. Later, I will provide a tool that helps you make sure your call-to-action stands out.

Principle # 3: Don't Offer Too Many Choices

Remember our mantra: "Don't make me think!" Every time you present your visitors with multiple choices, you're making them think about what to do.

When you give people too many choices, they can experience "decision paralysis" which means they don't know how to make a choice so they just leave your site.

Don't worry though, it's ok to give people options. In fact, it's an important part of optimizing your conversion rate.

The key is to:
- Limit the number of options to as few as possible
- Use the choice to get people closer to their goal

Take Action

Step 1: Go to your top landing pages and count the number of clickable links. I bet there were more than you expected. Every link is an option. Every option that isn't your call-to-action is going to take people away from your goal-path (the series of pages that leads to your goal).

Step 2: Cut down on the number of links if you can. Instead of making all of your pages accessible in your navigation, try moving some sub-pages to a sub-navigation. I know it sounds cliché and boring, but less really is more.

Step 3: Look at your site hierarchy and identify the paths your visitors need to take to get to your goal. These are called your goal-paths. You will probably have more than one, even if they all lead to the same goal. That's good.

I mentioned that it's OK to give people multiple options. This is the case when we use options to help get people to the right place, whatever "right" means for them. This brings us to our next section, which is about "segmentation".

Principle # 4: Segmentation: Get Visitors to the Right Place

When I say "the right place", I mean the right place for the visitor. Let's say "James" has a website that sells electronics and I land on his homepage while I'm shopping for a computer. If the only thing James sells is computers, I'll immediately know I'm in the right place. I won't have to think.

Just for fun, let's say that James also sells TVs and cell phones. James has **multiple goal-paths**. He has to get me onto the goal-path that is right for me.

Getting your visitors onto the goal-path that is right for them is called segmentation. Because you can't interact with each visitor to know what they want, you have to **give visitors a way to segment themselves**. Help them find the right path.

Remember, we don't want to give people too many options, so James has a challenge because he sells 30 different computers, 50 different TVs and 20 different cell phones. How can he get me closer to my goal without overwhelming me? I'm glad you asked. I'll show you exactly how.

Exercise

I've mocked up a homepage for James which you'll see on the next page. Before you go to the next page, I want you to do something. Imagine you want to buy a computer. Maybe you know the specific model you want, or maybe you don't know yet. It doesn't matter. Just think, "I want a computer."

Then, when you look at the homepage mockup on the next page, see how long it takes you to figure out where to go.

Ready? Go.
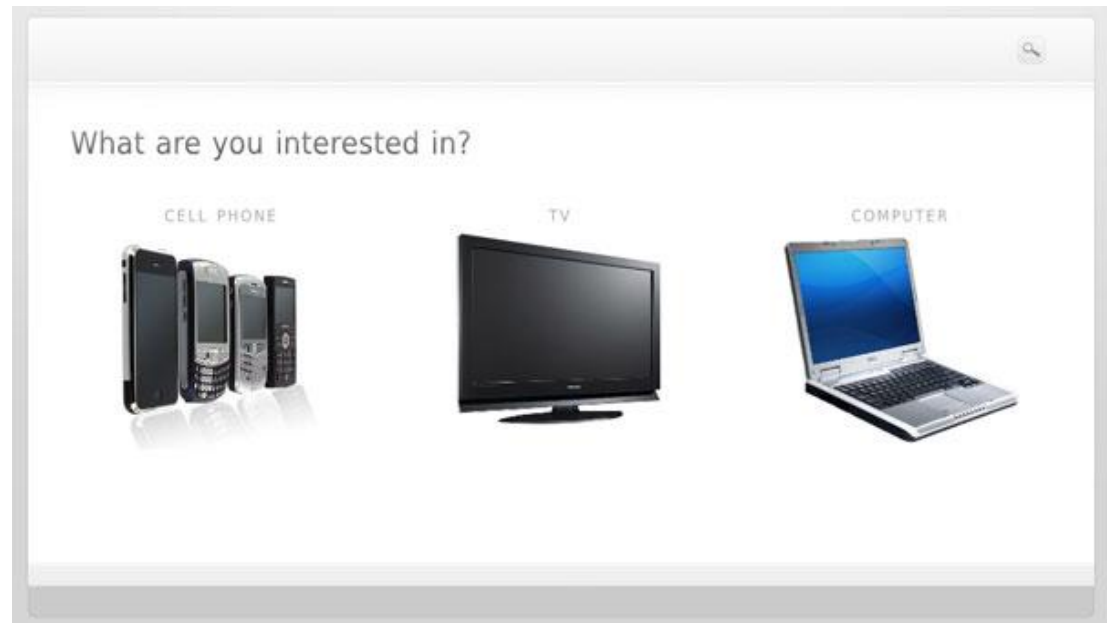
How long did it take you to figure out where to go? Even though I've intentionally made this picture small, you probably knew right away.

Your attention probably snapped right to the picture of the computer. If you clicked it, or the text that says "computer", you'd be on the right goal-path.

In this case, we're using product categories as a segmentation tool. James has too many products to present them all at once. If he showed all of his 100 products on one page, visitors would get overwhelmed.

Instead, he's <u>helping visitors segment themselves to get closer to the right place</u>, and closer to a conversion.

When possible, use both words and visual representations to help users segment themselves. Many people respond better to images than to words.

Segmentation isn't just for keeping your visitors from feeling overwhelmed.

The other reason segmentation is so powerful is because, <u>once you get visitors to the right place, you can start to make some assumptions about them</u>. This allows you to <u>be more clear and direct</u> with them. When you know something about your visitors, you can be more effective and specific with your call-to-action.

In our example, we can assume that people who click the "Computer" category are people who want a computer. On the next page, we can help people segment further. We could offer the choices: Laptop, Desktop, Tablet. We can assume that the people who click the "laptop" category want a laptop and we'll take those people to a page that is *only* about laptops. When we're writing that Laptop page, we no longer have to sell the benefits of a "laptop vs desktop", etc. We just have to help people find the right laptop.

Remember, you and your visitors should have the same goal. Conversion Rate Optimization is all about helping people get there.

Take Action
Go look at your own site. Could you be doing a better job of segmenting your visitors? Could you help visitors find the right goal-path?

Are you using clear visual representations of your products or services to evoke your desired response from your visitors?

Segmentation matters because people are unique. We all have different values and motivations and goals. If you ran a restaurant, you wouldn't offer a steak to someone who identified themselves as a vegetarian. You'd cater to their preferences and offer a vegetarian menu. You know what? They'd appreciate it, too, and be more likely to come back to your restaurant.

Make sure you're helping your website visitors get to the right place.

Multiple Goal-Paths
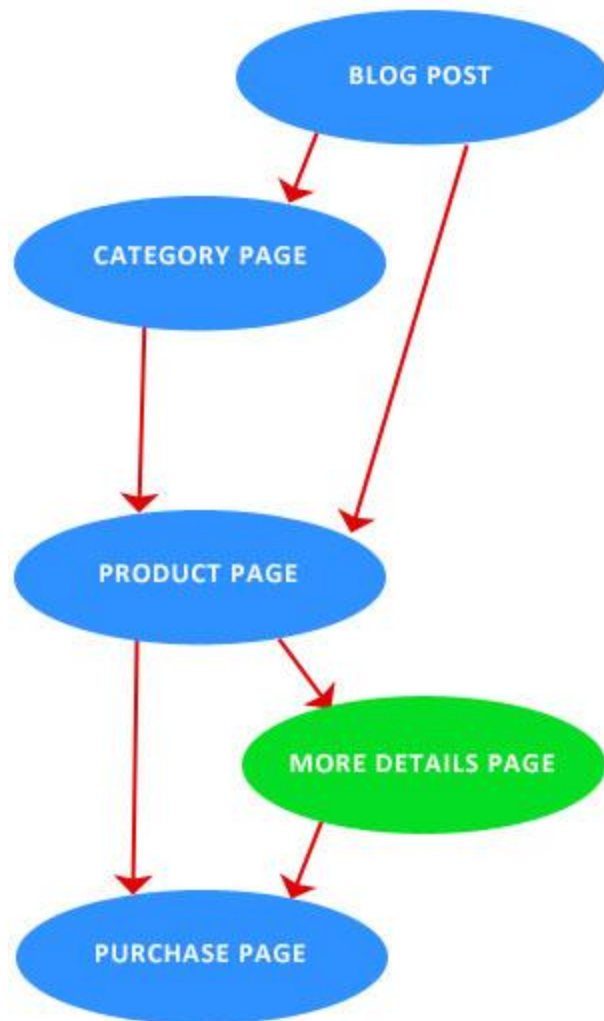
Principle # 5:
Understand Visitor's Intent, and Give Them What They Want

This is the single most important principle to get right. I mentioned earlier that you and your visitors should have mutual goals. Your job is to cater to the needs, mindset and intent of your visitors.

Understanding the mindset and intent of your visitors is huge, but it's not enough. You also have to **immediately communicate** to your visitors that they're in the right place, whatever "right" means to them.

Everything on your page should speak directly to your visitor's intent, especially your headline and your call-to-action.

What if your visitors don't all have the same intention?
This is where segmentation and persuasion comes in. You're going to create multiple goal-paths to cater to the different possible visitor intents.

Take a look at the diagram on the left. There are multiple goal paths that cater to different visitor intents. Your visitors might arrive on your site on a blog post and only intend to read that post, but that doesn't mean you can't try to move them further down the path to a conversion.

This is why you should be using calls-to-action in your blog posts.

Using Segmentation to Cater to Different Visitor Intents
As you know, the Product Page should have a clear call-to-action to make a purchase. However, not everyone who sees the product page will be ready to make a purchase right away. Some people might need a little bit more information before they buy. Cater to those people too. Give them a link on the Product Page to "Get More Details" which takes them to the More Details Page. This page will have some more details about the product and then a clear call-to-action to buy. Some people want more details; cater to them.

If you didn't have the More Details goal-path, you'd certainly miss out on converting some visitors who just needed a little bit more information before they converted.

Take Action

Earlier I told you that our call-to-action should set an expectation that entices your visitors to click it. I also told you that it's crucial to keep those promises you make when you set expectations.

You make a promise when you present a call to action. When someone clicks your call to action, you know their intent. Make sure you deliver exactly what they expect.

- That means if you present a call-to-action that says "Shop Computers", you should be linking that page to a category page about computers.
- If your call-to-action is "Learn More" or "Get Details", you should take people to a page with more details.
- If your call-to-action says "Buy Now", link it to a purchase page.

Go to your website and start at the homepage (or your primary landing page). Consider all of the possible intents that a visitor might have who lands on your site. Then see if you could do a better job of catering to each of the visitor intents you've identified. Create goal-paths to cater to each visitor type and you'll increase your overall conversion rate.

Meet your visitors on their level of engagement.

Principle # 6: Trim Down Your Content

By now you have a good idea of how to structure your website content to increase your conversions. We talked about making your call-to-action stand out. You know it's important to <u>be obvious</u> and not make your visitors think.

It's also important to not make your visitors read. Cutting down your content is usually a great way to increase your conversion rate. Of course, this is different for articles on your site, but for pages where your goal is to drive action, brevity is key. People have a short attention span on the internet and they get overloaded quickly.

Remember, any content that doesn't support your call-to-action should be de-emphasized (or deleted).

Some Rules to Live By

1. Avoid writing in paragraph format whenever possible. Instead, you should use <u>clear headlines and short bulleted lists when you can</u>.
2. Put your important content first. Write in the "<u>inverted pyramid</u>" style. That means you put your most important content at the top, preferably in the headline, then follow with the rest of the information in order of diminishing importance. <u>Your readers should be able to stop reading at any moment and still clearly get your message</u>.
3. Cut the fluff. Don't write more than you need to. Go back and take out any content that visitors don't absolutely need. If you can say something in fewer words, do it. (This guide is about 4,500 words, but my first draft was over 8,000 words. Condense your ideas.)
4. Don't use images without a good reason to. Images are extremely distracting. The two main reasons to use an image should be as a representation of your product or to help segment visitors. <u>Your website is not an art project</u>.

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Principle # 7: Give Visitors Reasons to Trust You

Unless you have a globally-recognized brand, you have to do some work to build trust and credibility in the eyes of your visitors.

There are a number of ways to build trust quickly.

- **Keep your promises.** We talked about this, but it's worth mentioning again because it's so crucial in everything you do.
- **Show "social proof".** Do you have happy customers? Get them to write you testimonials and put them on your website.
- **Credibility indicators.** Do you hold special certifications or awards that relate to your offering on your website? Show them. One of my colleagues has won many design awards. He lists them on his site.
- **Piggyback on known brands.** If you aren't a recognized brand but you have a prestigious client list, show it. If you've been interviewed on CNN, put a little call-out on your site that says, "As seen on CNN." You get the idea. Those brands have power and if you can associate yourself with them, it makes you seem more credible.
- **Offer a great guarantee.** One way to alleviate your visitors' anxiety is to say, "If my product doesn't work, I'll return your money."
- **Trust symbols.** Some people are afraid of ordering online because of security concerns. If you're using a secure checkout system, display a little graphic that says "Secure Checkout".

All of those things add up to visitors feeling like they can trust you.

You wouldn't buy from someone you don't trust. Your visitors won't either.

Ready to see a case study?

A Real-World Case Study

One of my clients agreed to let me show a case study of a real Conversion Rate Optimization project I did on her site. She is a jewelry designer who sells jewelry through an e-commerce website.

A couple years ago, the sales on her site weren't as high as she wanted, so I set out to increase her conversion rate. Her website analytics (traffic stats) told me that the homepage was the most popular entrance point on the site. I looked at the homepage and decided it needed a re-design.

It violated many of the principles you've learned in this guide.

I'm going to show you a before & after of her homepage design and talk about the result and why the new design works better.

Here's a teaser: **the new design doubled her sales**.

Even better, I didn't even need to fix all of the problems on the page to get that result. (I had to ask the client to take a leap of faith, and she met me half way.) I kept all of the copy, but changed the layout and added a headline.

The next page has screenshots and explanations of what was done and why.

You should be able to spot the differences right away after everything you've learned so far.

You can also see a high-resolution version of each page here:
http://conversionrateformula.com/case-study-images/

Before

When you look at this page, it's difficult to answer the question, "What am I supposed to do here?"

The element that stands out the most is the photo of the woman on the right side of the page. This was actually a flash image slideshow that moved through different images of women and jewelry. It attracted a lot of attention, (to be honest, it looked nice) but it wasn't clickable.

The desired action on the page was to for visitors to click to a product category page by clicking one of the links in the left-navigation. Most customers bought either earrings, necklaces or bracelets. So those were the links at the top of the sidebar. The copy on the right side of the page did not contain a call-to-action or a clickable links.

There were 25 clickable links on the page.

The **bounce rate for this page was over 60%**.

Bounce rate is the percentage of people who land on this page and then leave the site (bounce off) without visiting another page on this site. They arrive and hit the BACK button. If visitors bounce, they don't convert.

High-resolution version here:
http://conversionrateformula.com/case-study-images/
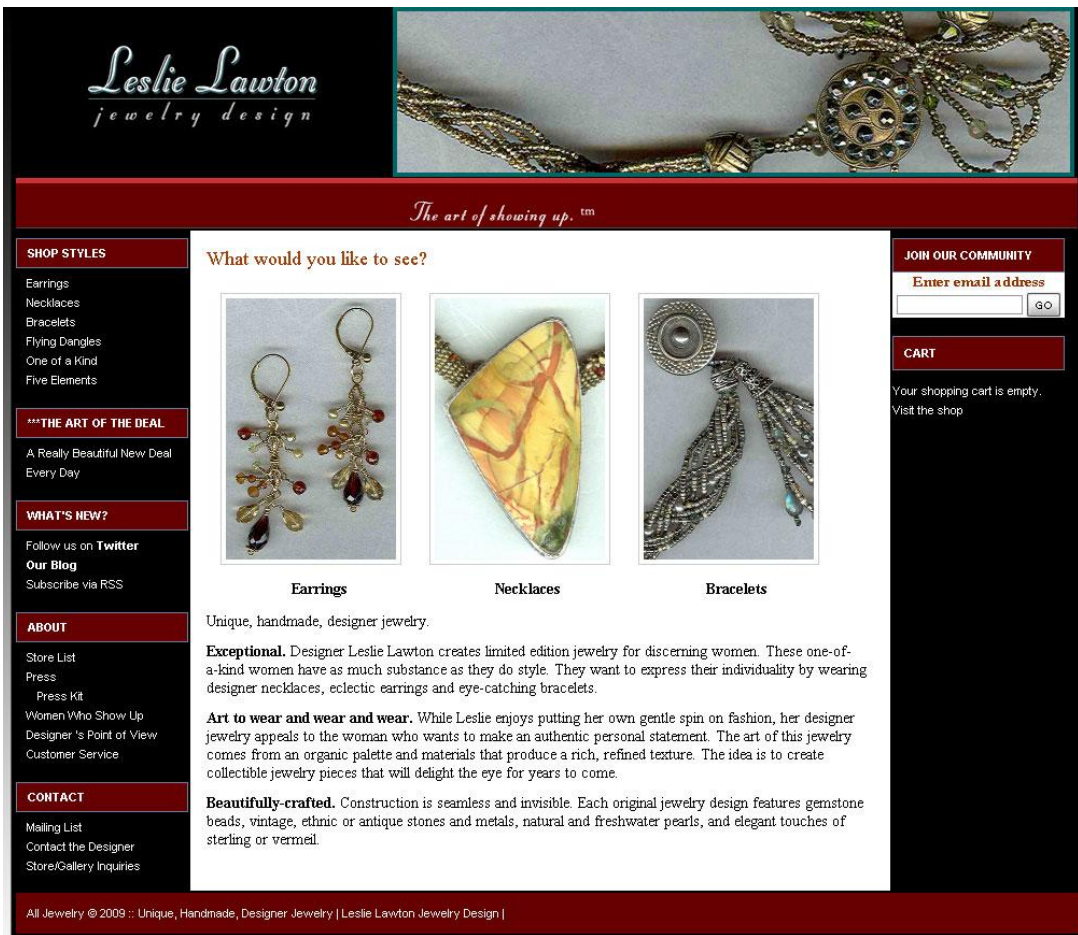
After

When you look at this version of the page, it's easy to answer the question, "What am I supposed to do here?"

I removed the distracting slideshow in the middle of the screen. I removed many of the links in the navigation. I've since removed more of them.

I put a clear call-to-action which asks visitors to segment themselves and choose a product category.

The headline is a question, "What would you like to see?" Visitors answer by clicking on a visual representation of a product category. That moves them closer to conversion.

The bounce rate fell from over 60% to just 22%!

Before the re-design, only 40% of people who landed on the homepage were clicking through to view products. After the re-design, almost 80% of people who landed on the homepage were clicking through to view products.

That means a 100% increase in the number of clicks through to the product pages, which resulted in effectively **doubling the client's sales**.

High-resolution version here:
http://conversionrateformula.com/case-study-images/

Using Science to Optimize

If you follow the principles in this guide, you'll be able to look at your own site and make changes that improve your conversion rate. These are proven principles and best practices that really work.

Taking it to the next level.

This guide is designed to give you a solid start. There is, however, a whole lot more to Conversion Rate Optimization than what I could fit here. Predicting human behavior is a difficult game. We have to admit that we don't really know how people will respond to your site until they actually see it.

Welcome to the world of testing.

By now, you know how to write a good call-to-action. You know how to write a good headline that supports your call-to-action. You know the main principles of Conversion Rate Optimization.

The next step is to split-test different versions of your high-converting content with real website visitors. That means you can create variations of your page content and test them against each other to find the best formula.

This is a very powerful thing to do. It can also be extremely profitable. Split-testing changes Conversion Rate Optimization from an art to a science.

It's also the majority of the work I do as a consultant. I love helping people and businesses make more sales this way. Not to boast, but I get really great results for my clients. Of course, that's my favorite part.

How can you learn how to do split-testing experiments?

Lucky for you, I'm building a course to teach you my exact methodology. It's called Conversion Rate Formula and I'm going to take you through every step of my proven process. Right now, there are some very special offers which you can read about here: http://conversionrateformula.com/.

A Call to Action

Just like I want you to have clear goals for your website visitors, I wrote this guide for you with some goals in mind. I want you to take some very specific actions, and I'm going to be completely transparent about what they are because they're all about helping you increase your conversion rate.

1. Take Action. I want you to take what you've learned in this guide and look at your own website with a fresh set of eyes. I want you to ask yourself the questions from the "Applying the Principles" section.

I want you to put what you've learned here into practice. I want you to have more conversions in everything you do.

2. See a Live Spit-Testing Experiment. I want you to see a live experiment in action. Go to ConversionRateFormula.com to see it. Enter your name and email address in the form and I'll send you a link to a page where I'll give you a behind-the-scenes look at the experiment I'm currently running.

Limited Time Offer for Free Conversion Consulting

Right now, there's a limited time offer where a few people can get free conversion consulting with me.

My clients happily pay a five-figure fee for this, but I'm giving it away to a few people because I am going to ask for something in exchange. I'm doing this because **I want to make my course insanely helpful** and the best way I can do that is to show you some great real-life case studies. Step-by-step.

If you're selected for free consulting, you have to be willing to be a fully-transparent case-study. That means course members will be able to see your traffic and conversion rate. Is that worth $10k of free consulting?

If so, sign up here for more details: ConversionRateFormula.com

Share Your Success

I sincerely hope you found this guide helpful. I was aiming for "incredibly helpful" when I wrote it. I'd love to hear about the results you get when you follow the principles in this guide. Email me to share your success story at john@ConversionRateFormula.com.

Get Priority Notice When I Open My Course

If you'd like to get priority notice you when I launch my in-depth course in a few months, visit ConversionRateFormula.com and sign up. I'm not selling anything on that page right now. If you go there, you'll get some more great free content in the coming weeks. (Do it now, while it's fresh on your mind.)

I'm Always Available

If you have any other questions about this guide or about Conversion Rate Optimization, you can contact me at john@ConversionRateFormula.com or by filling out the form at ConversionRateFormula.com.

Thanks for reading!

-- John Muldoon

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