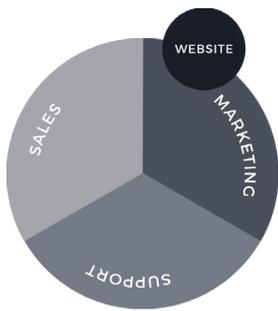


Traffic & Conversion Rate Optimization:

New Technologies Encouraging a Fresh Take on Digital Marketing Budgets

Traffic & Conversion Rate Optimization

If there is one constant in the world of marketing, it's change. There is always new data, technology and information that businesses can adopt and learn about - especially when it comes to eCommerce.



From a marketing standpoint, many believe that a website should merely be a point of attraction and information. Marketers will do everything in their power to create an appealing website, and attempt to drive traffic to it by using tools and methods like Google AdWords, SEO, generating a ton of content, and building a plethora of inbound and outbound links.

As a marketer, using this toolkit to drive traffic to your website has become second nature.

Website traffic is an important aspect of marketing, and of course, provides various pieces of useful data and benefits including:

Below, we outline the monetary ways in which traditional digital marketing tactics can aid your business alone, as well as how these tactics - when used in conjunction with CRO - can lead your business to success.

- Where traffic has stemmed from;
- The flow/movement of a visitor's journey;
- Understand bounce rate; and
- Helping to position your business as a resource where potential customers can find answers to industry-related questions.

Beyond data collection and website traffic analysis, another task presents itself - one that is being taken on by individuals in sales and marketing roles at an intrepid rate: conversion rate optimization (CRO).

Conversion rate optimization can aid your organization in:

- Converting more visitors to customers;
- Ensuring that these customers are relevant to your organization;

Generating website traffic and CRO are both merely half the story. When used in unison, the two tools can be a powerful combination that allows your business to leverage traffic data and analysis to increase relevant conversions.

Have a look at the numbers on the next page.



Scenario 1: Traditional Digital Marketing

Given the parameters below, we provide an evaluation of the benefits and opportunities for growth that a traditional digital marketing budget may provide your organization.

To get started, please assume the following information:

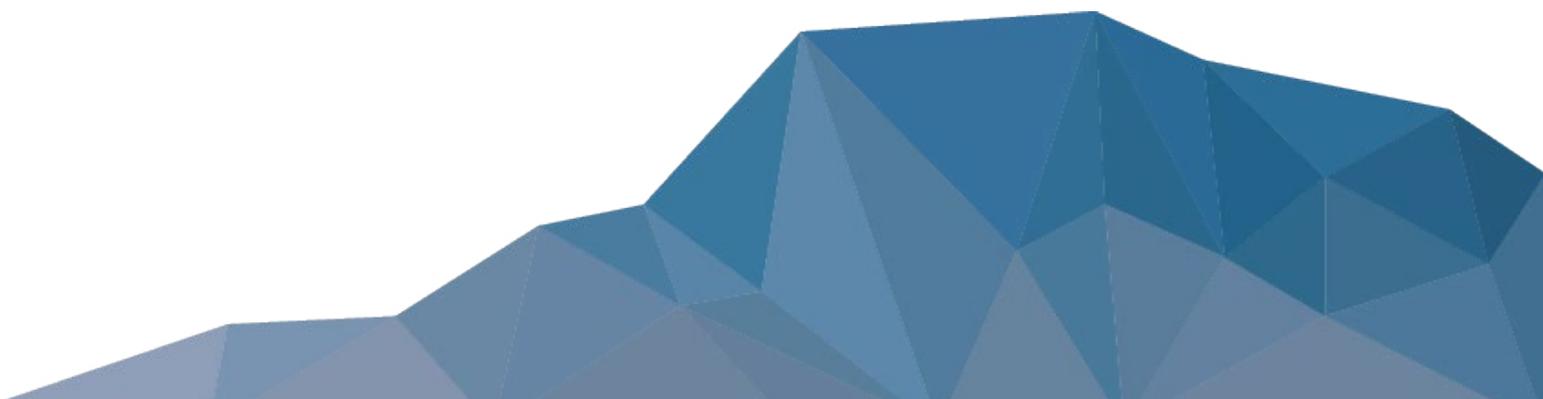
- The total budget for digital marketing in this scenario is \$100,000/month.
- You get 1,000,000 visitors/month to your website.
- Your website's conversion rate is 2%

Assuming that your website is operating with a 2% conversion rate (of 1,000,000 visitors) and that you're working with a \$100,000 digital marketing budget. That means an amount of 10,000 of your visitors are converting.

1,000,000 visitors x 2% conversion rate = 20,000 conversions or customers

With \$100,000 spent on advertising and 20,000 conversions, this means that your business is paying \$5 per conversion.

Without taking into account additional variables like the lifetime value of a product or customer, calculating the price you pay per customer can be relatively straightforward.



Scenario 2: Traditional Digital Marketing + CRO

In looking at the following scenario, it is important to understand that CRO has been incorporated into the existing digital marketing budget - not as a completely separate entity, but as a tool to complement and capitalize on traffic generation efforts.

Data shows that CRO can provide companies with an increase in conversion rate of over 19%, which is done through the adoption of new technologies designed to add an entirely new dimension to your website. In addition to this new dimension, CRO technologies can be used across your entire company to personalize user journeys and increase customer satisfaction.

Remember: Your website is now operating with a 19% increase in conversion rate (of 1,000,000 visitors)

A 19% increase in conversion rate on an existing 2% means a 0.38 percentage point increase.

You are now only spending \$90,000/month on digital marketing efforts, making room for \$10,000 to employ CRO services.

This means that rather than having 1,000,000 visitors, you now have 900,000 visitors that stem from digital marketing efforts.

900,000 visitors x 2.38% conversion rate = 21,420 conversions or customers

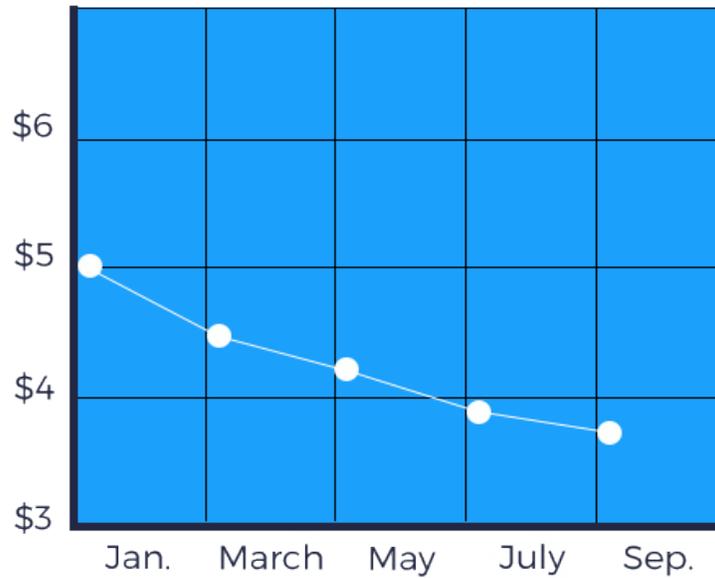
With \$100,000 spent on advertising and CRO services, your company's price per conversion is decreased to \$4.20. A decrease from \$5 per conversion to \$4.20 per conversion represents a 16% decrease in your company's cost per conversion. This is after a month.

CRO can arm your company with the opportunity to increase conversion rate and decrease its price per conversion rate. While results may vary month to month, with a minimum increase in conversion rate of 19%, growth can be anticipated.

Take a look at the graphs on the next page on how your conversion rate can increase over time, while your price per conversion can decrease.



PRICE PER CONVERSION EVERY MONTH



Understanding the increase & decrease

	January	March	May	July	Sept.
Advertising \$	\$100,000.00	\$90,000.00	\$90,000.00	\$90,000.00	\$90,000.00
CRO \$	\$0.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
Visitors	1,000,000.00	900,000.00	900,000.00	900,000.00	900,000.00
Conversions	20000	21600	22050	22590	22950
Conversion Rate	2%	2.40%	2.45%	2.51%	2.55%
Price per conversion	\$5	\$4.17	\$4.08	\$3.98	\$3.92

Why will my conversion rate increase and my price per conversion decrease over time?

The reasons for that are:

- Amount of data collected and leverage to drive conversion increase;
- Your company will learn more about its customer journey; and
- Bounce rate will decrease, making traffic more valuable and thus increasing conversions.

"Initially, you spend a lot of money trying to get traffic, but you don't really know how to engage with visitors. By employing CRO technologies, you gather data about your visitors which you can then use to create different segments. This will allow you to engage with visitors the right way - using personalization. Over time, you will learn what types of offers and engagement work for your customers. Ultimately this will improve the customer journey. CRO offers more benefits and improves conversion rates over time as your company gathers data and insights."



Marcus Grøne (Customer Success Manager)

Simply put, CRO technologies provide an avenue to increase conversion rates and decrease your company's price per conversion.

Want to know more about CRO? Check out the [Bellmetric blog](#)

Find out about how [Bellmetric](#) can help your business with conversion rate optimization [here](#).