

# **Conversion Marketing**

The Psychology of Converting Browsers into Buyers

Chapter 2 of *Conversion Marketing*:  
The Conversion Loop - The Simplicity of Automation

*Conversion Marketing* starts with understanding the blend between art, science and psychology in the quest to maximize ecommerce conversion rates.

Author: Bryan Heathman  
[www.ConversionMarketingBook.com](http://www.ConversionMarketingBook.com)

## Chapter II

### The Conversion Loop - The Simplicity of Automation

Now that we've covered the fundamentals about how to think about the online economy and you understand how goods are promoted online, let's talk about converting your visitors into customers in terms of the Conversions Loop methodology. To illustrate the conversions process, let's take a look at conversions in terms of planning a glamorous party.

#### CELEBRATE

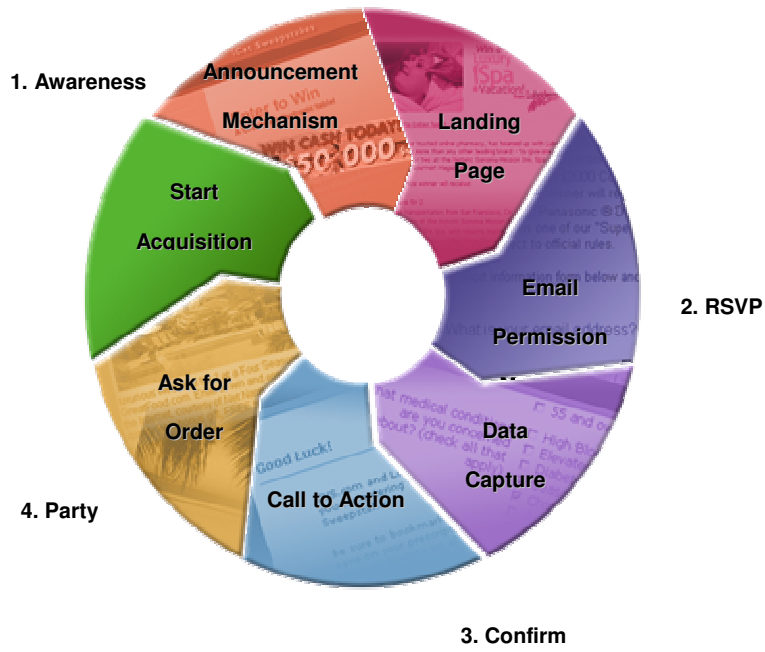
Let's say you wanted to throw a party. The process of bringing people together for a celebration is a lot like the process of bringing traffic to your website and converting those casual visitors into customers - what we call the *Conversion Loop*. Whether we're talking about a grand dinner party for a few friends or a fund-raising dinner, both involve a four-step process to bring people closer and closer to the goal you have in mind. Recently, an ophthalmologist friend of mine organized an informal gathering at his home to tell his friends about an

opportunity to invest in a technology start-up for doctors. Guests were greeted at the door of his elegant waterfront home by a Spanish guitarist to set the mood. A serving staff was busy in the kitchen, rolling-out a tantalizing stream of gourmet appetizers to accompany the fine wine served to guests. Mid-party, a group of executives gave a 20-minute overview of the investment opportunity in the company, accompanied by the "call-to-action" of reviewing an investment prospectus. The process of putting together this fund-raiser party is no different than operating a Conversion Marketing campaign. A four-step formula for guiding people through a buying decision closely aligns with the process of planning a party. When it all comes together, everybody wins.

- *Step 1)* The first thing to do when you throw a party is decide whom you want to come. This is similar to identifying the Target audience for your marketing campaigns.
  
- *Step 2)* Once you send out your invitations, the next step is to see who is interested and get their RSVP.

- *Step 3)* As the date gets closer, you remind the people on your guest list how great your event will be, communicate directions and confirm that they'll be there.
  
- *Step 4)* Finally the day arrives and so do the folks you invited. Open the door and let them in. That list of people you started out with is converted into a roomful of guests, and everyone has a great time!

Here's how that process breaks out into The Conversion Loop.



### *Step 1 - Invitation*

In the Conversion process, your *Announcement Mechanism* is like your party invitation. You have to decide on the type of people you want to attract to your website and speak to them in a way that gets their attention. You have to create interest. We live in an age of information overload, and never before have peoples' lives been so hectic and complex. Your invitation has to reach out to the people you care about, and it has to uniquely capture their attention above the din of all the other things going on in their busy lives. This is true with your *Announcement Mechanism* as well. In order to let people know about your goods and bring traffic to your site, you've got to let people know you have what they need. You have to excite their desire for your product. Here are some of the most effective tools to create AWARENESS for your website:

- Website Content - having a compelling and attractive website is a great way to attract visitors. Use of free content or great prices are excellent methods of attracting Visitors to your website.
- Search engine marketing strategy

- o Provides the most traffic if you are able to get your keywords listed in the top 10-20 listings on the major search engines. Historically the largest and most significant search engines in terms of traffic are Yahoo!, Google and MSN. Also be on the lookout for search engines that are relevant to your industry, as these may be more conducive to your success. Getting top placement of a certain keyword phrase is often quite difficult with keywords commonly searched. What makes a website rank high in search listings tends to change dramatically month to month based on how the search engines determine which websites are relevant.

➤ Public Relations

- o Typically in the form of a newsworthy press release published on your website and other websites, this is a more economical form of online marketing. The press release should contain links back to your website for more information. Publishers often pick up a press release with breaking news on an industry and provide valuable exposure and traffic to your website. Recently, I ran a major online

promotional campaign for a professional speaker named Keith Harrell, who has an extraordinary story. Years back, Keith was contacted by a reporter doing a story on the life of the professional speaker. The reporter contacted six speakers with a request to be interviewed. Keith was the only speaker who responded to her call, therefore the reporter ran a full-page article on Keith. As it turns out, the reporter was working on a piece for the Wall Street Journal. This speaker went from virtual obscurity to fame overnight. Today, he is a very successful professional speaker on the keynote speaker circuit, all from a spectacular encounter with the press.

➤ Media

- Buying media placement can be a efficient way to drive traffic to your website, but can also prove to be very expensive. To make media buying profitable requires an excellent Conversion strategy. A few popular forms of online media are illustrated below.
  - Pay Per Click (PPC) Advertising - A company called Overture, which was subsequently

purchased by Yahoo!, pioneered this business. Recently, Google has dominated this industry with a product called AdWords by offering a vastly superior experience for customers over other advertising opportunities for large and small business alike. A pay-per-click ad only costs the advertiser when an individual clicks the ad and visits the advertiser's website. It is a very efficient form of advertising, because you only pay for people interested enough to click on your advertisement. The commercialization of this form of advertising has revolutionized the advertising industry as we know it since even small advertisers spending \$1.00/day can reach a global audience with their advertisements.

- Ad Banners - online advertising started with the simple ad banner, which appears on webpages typically with animated graphics. Ad banners are traditionally sold on a Cost per Thousand basis (CPM). Advertisers pay

for the ads whether a consumer clicks on the banner or not.

- Email List Rental - web publishers are skilled at getting people to opt-in to receive email. Publishers will rent-out their lists to advertisers who can send long advertisements to subscribers in the form of a solo email or a newsletter ad.
- Co-registration - Email publishers will promote an incentive to consumers or businesses in exchange for signing-up for various email newsletters. The email list publisher benefits by grouping their offer to join a newsletter with other newsletter publishers, as the costs to attract Visitors is shared among several Publishers. Incentives typically offered by co-registration companies include free downloads, sweepstakes or free items. The quality of email lists created by co-registration marketing can be a bit suspect as the people signing up are primarily motivated by the free goods or a chance to

win a big prize completely unrelated to your product/service.

- Incentive Offers - luring Visitors to your website with a compelling and targeted incentive is a proven method for attracting traffic to your website. The incentive serves the dual purpose of also capturing information in exchange for the incentive offer.
- Social media sites - user generated content has taken the web by storm, signaled by News Corp's \$580 million purchase of MySpace.com, closely followed by Google's \$1.6 billion purchase of YouTube.com. Social media sites enable consumers to publish personal information and build communities around special interests. A few leading companies in this space include:
  - Facebook.com
  - MySpace.com
  - YouTube.com
- Blogs - coming from the term web log, a blog is a website published using easy self-service tools featuring text, graphics and videos on subject-matter important to the blog creator. Blogs typically include short commentary or news on a particular subject.

- Offline Marketing - often a less-expensive form of driving traffic to a website, the traffic is generated by prominently publishing a URL in strategic locations. Traditional retailers have a strong advantage in converting store traffic into online traffic to their websites via signage, register receipts and shopping bags.
- Word of Mouth - referrals from friends, colleagues and relatives serve as the single, most-influential source of traffic to a website. Respected referrals are also the most effective method of driving sales conversions.

## *Step 2 - RSVP*

Once people become aware of what you do and the goods you offer on your site, you can confirm their desire - or get their RSVP. In the *Conversion Loop*, this is called Data Capture and Permission to Engage. People who opt-in to get email from your company *have elected to receive information from your company*. This is key. In Conversion Marketing, we call these people *Interested Visitors*. This process weeds out those who aren't interested or aren't able to come to the party. It gives you a pool of resources to

work with and a way to maximize your focus. It gives you an audience to tell your story to.

Once you've acquired Permission to Engage, you'll need to apply certain techniques in collecting your visitors' data. You want to ask your visitors for enough information to target your marketing but not so much that it intimidates them. Data Acquisition increases only up to a point. People are often glad to give you their first name and email address. Asking for personal or lifestyle information can sometimes have the opposite effect of what you want to achieve. When the questions you're asking become too invasive, participation drops off, and there's a sharp decline in traffic. By asking non-personal questions, you can get more data from Visitors and a stronger likelihood that they'll come back to you. Here are a few questions that are okay to ask in an online survey:

- First Name
- Email address
- Zip code
- Gender
- Preference questions, such as product or content likes and dislikes.

Once you've captured data from your Visitors, you can segment your email list to send the most pertinent information possible. The goal is to maximize the rate that your emails are opened to get return visits to your website. Targeting your audience with relevant information or product offerings will move people to open your email messages.

### *Step 3 - Confirmation*

You've attracted people to your website. You've narrowed down your prospects to include only *Interested Visitors*, and you have their permission to engage. Next comes the engagement, or confirmation. In the *Conversion Loop*, it's called Repetition. Less than two percent of first-time visitors purchase on the first visit to an unfamiliar website. Establishing a bond of trust takes Repetition or a series of repeated exposures to your messages, brand or products. Your *Interested Visitors* have to get used to the idea of owning your product. It has to become comfortable. In fact, it has to be downright cozy before they'll part with their hard-earned cash. Traditional branding studies show that brand trust takes three to seven exposures. This means that in order to trust you enough to buy from your

company, your *Interested Visitors* must have repeated exposures to your message to build that relationship. Odds are they won't do that on their own. You need to confirm with them. You need to engage them again and again. Well, you have their permission - they gave it to you back in Step 2. If you invest the effort in your *Interested Visitors*, they become repeat visitors to your website through the Repetition process. That means the two of you get acquainted, and they get comfortable with the idea of owning your goods (or coming to your party). Here are some effective tools in the Repetition process to create a positive response from your *Interested Visitors* and convert them into customers.

- Email newsletter with reminders of who you are
- Special offers to entice repeat visits
- Compelling content relevant to their lifestyle or profession such as articles, white papers, videos or audios recordings

We established that only a few people will buy the first time they visit a website - but they do buy! One key to creating a profitable website is to create an emotional attachment or a relationship with your company. Creating

an emotional attachment is a challenge face-to-face, but how can you create emotion in an impersonal online environment? Let's explore a few ideas of how to create DESIRE online.

➤ Emotional attachment

- Testimonials - show pictures and statements from people who are delighted customers. People will gravitate to images or titles of people to whom they feel they can relate, people just like themselves who have had a need fulfilled by your product or service.
- Security
  - 100% satisfaction guarantee
  - Money-back policy
  - 30-day return policy, no questions asked
- Credit card logos - surprising studies have proven that products sell 25% more dollar value when a credit card logo is published near the products. People know that if they're not satisfied, they can use their credit-card issuer as leverage to get credit for products that don't meet expectations.

- o Tools that help your Visitors to see your product in a relevant situation:
  - Les Schwab features a tool on their website to allow you to see your make/model vehicle with a new set of high-margin chrome rims.
  - Clothing or cosmetics matched with your color palette are offered by various department stores.
- o Video images of your product in use can be very effective. I recently viewed an effective use of video of a product in use from a manufacture of locking mailboxes. The video shows a hard-at-work identity thief, struggling to pry open a secure-locking mailbox with a crowbar. This is an excellent method of driving conversion.

➤ Relationship

- o Capture email addresses and communicate on a regular basis with your *Interested Visitors*.
- o Capture a small amount of non-personal data so you can send personalized and relevant offers and messages.
- o Segment your email lists into groupings so you can focus the content of your newsletters to the DESIRES of your audience.

#### *Step 4 - Let's Party!*

Finally the day arrives. The folks you invited, engaged and confirmed have been converted into a roomful of guests, and everyone is having a great time at your swank soirée. It's the same with the traffic on your website. If you've successfully handled the first three steps in a workmanlike way, Conversion practically fall into place. Through your Announcement Mechanism, potential buyers became interested. By getting their Permission to Engage, they establish a relationship with you. Through tempting offers, their interest is ignited into desire. *Voila!* Your casual traffic has been converted to Customers.

Here are some techniques that move the conversion process to completion:

- Limited time offers
  - This is a proven conversion tactic to create the motivation to buy today. If you put a time limit on the availability of your product, it creates fear of loss. Take a page from the eBay playbook, where products have a fixed time limit before the deal is gone for good. The fear of

loss is often a more powerful purchase incentive than the positive benefit of ownership.

- Trial close - Trial closes are techniques used worldwide by highly-paid sales executives. A trial close could come in the form of a question, such as “Do you like the blue model, or is the red model more suited to your taste?”

Here are a series of trial close tools that can be deployed online to transform an Interested Visitor into a customer.

- Free trial offers - offer a limited-time, free trial of your product to move Interested Visitors closer to a buying decision. This is used widely with subscription services or consumable products (i.e. one-month-free trial).
- Low-cost trial product - many highly successful direct marketers will offer a \$.01 trial offer in exchange for a product worth \$10-\$20 in order to establish a buying relationship.
- **Gift with purchase** - this is an especially effective psychological tool to use. Book marketers will offer hundreds of dollars in downloadable incentives with the purchase of a \$19.95 book. Business-to-business

marketers also use this effectively, especially when they cater the free gift to the personal desires of their clients.

- **Discounts** - a discount offer pretty much speaks for itself. However, all discount offers are not created equal! Often, the manner in which you communicate your discount can have a dramatic impact on response rates. Here is a hierarchy of the top-performing discount offers, listed in terms of effectiveness:
  - o Free - this is the most powerful word in the English language and will motivate many people into action.
  - o Buy One, Get One Free
  - o Buy One, Get One Half Off
  - o Buy Two, Get One Free
  - o Coupon offers - coupons that are discounted at the time of purchase via coupon offer. The higher the value of your coupon determines the redemption rate.
  - o Mail-in Rebates - always communicate your rebates in terms rounded up to the full dollar amount (i.e. \$10.00 off performs better than \$9.97 off). Marketers can often promote a higher dollar value

of a rebate than a coupon, as redemption rates of Rebates are often lower than Coupons.

➤ **Free shipping**

- Some products purchased online are perceived as more expensive because of shipping costs. Free or very low cost shipping is proven to be quite reliable in bridging this gap.

➤ **Customer Service**

- Highly responsive customer service creates value in any buying situation. If you can offer a toll-free number with a live person answering the phone, you'll be way ahead of your competition.
- Try offering timely email follow-up.
- FAX or other alternate ordering options are quite relevant for certain industries.

➤ **Selection**

- Everyone loves options - it gives your consumer a feeling of empowerment. Too much choice, though, and customers may become victims of "paralysis by analysis." After all, who can make up their mind when presented with fifteen shades of blue from which to choose? Customers typically follow the path of least resistance. Too much choice will become an obstacle to purchasing. Not enough

choice will cause your *Interested Visitor* to move on.

➤ **Free Installation**

- o Free installation service can be an effective marketing tool for technical products with a non-technical audience. This is great for items such as cable TV, Internet services, office equipment, phone systems, and other common technical consumer goods.

The magic behind driving sales conversions online is moving *Interested Visitors* from the “fact-finding mode” to the “Gotta Have It! mode.” This is much easier offline, through the use of television commercials or face-to-face selling. Online is a completely different story because the *Interested Visitor* can't touch or feel your product. Here's an example of how one successful vendor achieved just that.

I had the chance recently to meet a woman living in the desert east of Los Angeles. Her name was Mary and her situation wasn't all that glamorous. She lived in a tiny home in a tiny town, less than 10,000 people, without a lot of opportunity. In fact she was cleaning houses and taking

on odd jobs to make ends meet. Yet she had an uncommon attitude, and she decided that she was going to go into business for herself. She made a few false starts and didn't seem to be getting any traction in her financial life.

One day Mary had the opportunity to buy discounted inventory of Thomas Guide maps. Now, these are maps that you can buy at any variety store, bookshop or grocery outlet. Mary had a tough time selling them door-to-door in her spare time. Her market was small and she quickly exhausted all her prospects. She decided to create a website and market the map guides online.

At first, things didn't move. With so many other companies offering the same product, her little mom-and-pop operation in the desert hardly got noticed. But Mary kept at it, and eventually she came to understand the principles of Conversion Marketing. She decided who her best prospects were. She learned how to get noticed on search engines. She created an opportunity for repeat exposures. By offering free shipping and great customer service, she soon had more customers than she could handle. Not only did she run out of her initial stock, but Mary soon was utilizing

drop shipping and other mass-marketing principles of Internet Conversion Marketing. Today she enjoys a six-figure income, takes her family on several vacations each year, and she still lives in that tiny desert town east of Los Angeles. Mary met her goals, and her lifestyle took a turn for the better.

That brings us to our next chapter on the importance of knowing where you're headed. Let's talk about your sales conversion targets and working toward your goals.

**\* End of Sample Chapter \***

To add *Conversion Marketing* to your library, search Amazon.com or visit [www.ConversionMarketingBook.com](http://www.ConversionMarketingBook.com). For more insights on *Conversion Marketing* from the voice of the author, listen to ecommerce success stories and case studies while you commute/workout with Mr. Heathman's series of audio recordings: <http://www.conversionmarketingbook.com/buy.html>

Contact the **Conversion Marketing Institute** for Speaking, Consulting and Coaching  
1-425-654-1360

[info@conversionmarketingbook.com](mailto:info@conversionmarketingbook.com)