Developing a New Model for Conversion Rate Optimization: A Case Study

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Abstract

This paper will discuss conversion rate optimization in online retail environments. The paper reviews previous literature on the topic and then examines how one company has created its own model and used the model to successfully to enhance Internet businesses' conversion rate optimization. The paper will then synthesize all of the factors seen in the literature and the case study model into a new model.

A variety of academic papers on the factors affecting the decision-making process of online customers from 2004 through 2012 were examined and an in-depth face-to-face interview was conducted with the founder of Clixo at a 2012 United States "online marketing" forum, with a follow-up interviews conducted via email. The paper discusses the effectiveness of the new model.

This paper identifies the variables that influence online customer behavior and discusses the importance each of the seven elements; catalyst, persuasion, usability, interactivity, trust, aesthetics, and marketing mix. The interrelationship of the elements at each stage of the customer decision-making process is reviewed.

The paper illustrates how e-Retailers can apply the elements of the framework in delivering a website experience likely to maximize the number of purchases from online visitors, and to reinforce post-purchase confidence.

The paper identifies two additional key elements in conversion rate optimization and develops a new model that incorporates the two new elements. This new hierarchical model presents the elements stage-by-stage to help online retailers to convert visitors into customers.

Keywords: website conversion, web experience, online customer, customer decision process

1. Introduction

1.1 The Problem

The growth and increasing importance of eCommerce is well documented (Consantinides, Lorenzo-Romero & Gomez, 2010; Kim, Shaw & Schneider, 2003; Moe and Fader, 2004; Rose & Purinton, 2004). A Nielsen (2008) report Internet shopping is now common in more than 95% of users in some countries. According to a JP Morgan report (2011), Internet shopping is going to hit 963 billion by 2013. More than 50 per cent of US net users are regularly buying online (Forrester Research, 2003). However conversion rates remain very low (King, 2008; Kotha, Rajgopal & Venkatachalam, 2001; Moe & Fader, 2004). Conversion rates are typically under 5% (Moe & Fader, 2004). King (2008) advised that unoptimized websites usually have conversion rates between 2.5% and 3.1%. There are a number of factors that contribute to the low conversion rates. These include the very large and growing number of websites, which is making it increasingly difficult for organizations to convert visitors into customers; the low cost of visiting websites makes it easy for customers to shop around (Moe & Fader, 2004). Statistics indicate that although there are a growing number of individuals using the Internet to perform product research and price comparison, actual purchases made online are still relatively small. Supporting, empirical evidence indicates that many online firms still do not completely understand the needs and behavior of the online consumer (Lee, 2002). King (2008) noted that conversion rate optimization (COE) could increase sales from 50% to 200% with some examples as high as 600%. E-retailers can win over online consumers in the highly competitive Internet marketplace by analyzing the factors affecting the online consumer's behavior

(Constantinides, 2002; Constantinides, Lorenzo-Romero & Gomez, 2010; King, 2008). Constantinides (2002) indicates that the first step in developing and delivering the maximum impact to online users is to understand Web experience components and their role as inputs in the consumer's decision-making process. Nevertheless, the importance of each Web experience component and their relationship to the steps of the consumer decision-making process requires further research (Constantinides, 2002; Constantinides, Lorenzo-Romero & Gomez, 2010).

The focus of this study is to understand the relationship of customer web experience components and the customer decision processes, to better understand how to turn visitors into purchasers. Previous research suggested that the website experience comprises five main elements; usability, interactivity, trust, aesthetics, and marketing mix (Constantinides, 2004). This study identifies two other factors not included in previous research. The author presents an overview of the factors influencing Web experience, examines a model often used to convert e-Visitors to buyers and then presents a new framework currently being used to convert e-Visitors to customers, using a case study. A study of Clixo's conversion framework shows how this framework and its five major elements; catalyst, value, usability, persuasion, and confidence consistently converts more online visitors to customers. Clixo has been applying this framework and achieving results for more than five years. Most importantly, the paper reveals how e-retailers can apply the seven elements; catalyst, aesthetics, marketing mix, usability, persuasion, trust, and interactivity; of the framework to each stage of the customer decision process; need recognition, information search, evaluation, purchase, and post purchase; in delivering a website experience likely to maximize online visitors to become purchasers and reinforcing post-purchase decisions. The framework can be used by organizations to enhance their conversion rates.

2. Literature Review

2.1 Web Experience: Website Conversion Optimization

Researchers and retailers alike must remember that online shopping is carried out via a two-dimensional customer controlled interface (Kotha, Rajgopal & Venkatachalam, 2001). The Internet provides a flat picture, but a store can provide the real object. Novak, Hoffman and Yung (2000) report that the eCommerce experience is best when not compared to the "real-world", but an alternate yet real environment in which the customer experience becomes paramount. Constantinides (2004) advises that the web experience is dynamic because of developments in technologies. The intangible nature of e-Commerce may cause shoppers to be uncertain about whether products ordered online will fit their needs or perform up to expectations and therefore trust becomes a key issue (Constantinides, 2004; Constantinides, 2002; Constantinides, Lorenzo-Romero & Gomez, 2010; King, 2008; Schlosser, White & Lloyd, 2006). Nevertheless, the ability of e-Retailers to offer a plethora of product-related information can ameliorate this uncertainty (Weathers, Sharma, & Wood, 2007).

Website conversion of the increasing number of visitors to become purchasers is a desired action for E-tailers. Online retailers should realize that Website conversion is based on two broad categories, micro actions and macro actions. Micro actions consist of visiting a certain page, viewing a certain number of pages, clicking a certain button or link, watching a video, or subscribing to a blog feed. Macro actions on the other hand consist of buying a product, calling to set an appointment, signing up for a free trial, paying for a subscription, or downloading a song or e-book (M. Dombrow, personal communication Feb 7, 2012). Supporting, Web site designers should emphasize reducing the number of page views needed to complete a transaction. It has been shown that longer page-view durations do not bring users closer to a completed transaction (Bucklin & Sismeiro 2003). Moe and Fader (2003) used stochastic modeling approaches while investigating repeat-visit behavior and purchase conversion rates of Web users at two large online websites - Amazon.com and CD now. The authors concluded that there was strong evidence of heterogeneity in both Web usage behavior and changes in behavior over time. Moe and Fader (2003) pointed out the risks of ignoring either or both of these phenomena in evaluating the performance of a Web site.

When most visitors think about a website they consider the ultimate macro action like selling a product through a shopping cart or generating a lead or a phone call for the sales team to follow up with, however there are a lot of different actions that a company could implement to improve conversation rates, these include getting more visitors to a certain page, to have them watch a video or subscribe to an email newsletter – things of that nature. Then, the macro actions are focused on achieving an action from the marketing dollars, which is very important. Interestingly, the micro actions actually lead to the macro actions (M. Dombrow, personal communication Feb 7, 2012). The secret to high conversion rates is not actually on the company website, they occur inside the mind of the website visitor through a conversation (M. Dombrow, personal communication Feb 7, 2012). Therefore, e-retailers need to anticipate visitor conversations and complete their site in a way that convinces visitors to take

immediate action, in other words having visitors decide to click and purchase an item or service, which requires that they provide their credit card information. e-Retailers need to understand questions that visitors generally have in mind when clicking on a website, such as "where did I land on this website?" (homepage or website flashes, etc.), "what can I do at this website?" (purchase a product, service or providing information, etc.), "why should I purchase at this website versus anywhere else?" (what is so unique or valuable as opposed to competitors?) (M. Dombrow, personal communication Feb 7, 2012). These types of conversation questions can support e-Retailers converting more visitors to become customers.

Regularly, website conversion optimization virtually relates to Web experience which is defined as the consumer's total impression about the online company (Watchfire Whitepaper Series, 2000). A web experience is important not only for Web sites marketing products or services, but also as a major parameter of customer influence on e-Retailers. Web experience comprises of five components; 1) usability; 2) interactivity; 3) trust; 4) aesthetics; and 5) marketing mix (Constantinides, 2004). Firstly, Web usability is "the ability to find one's way around the Web, to locate desired information, to know what to do next, and, very importantly, to do so with minimal effort. Central to this idea of usability are the important concepts of ease of navigation and search" (Nah & Davis, 2002). The usability components include convenience, site navigation, information architecture and search facilities, site accessibility, site speed, and ordering/payment processes. Secondly, interactivity is defined as the amount and quality of two-way communication between two parties (Alba, Lynch, Weitz, & Janiszewski, 1997). The implementation of very high degrees of interactivity is the uniqueness of an online shopping environment (Haubl & Trifts, 2000; King, 2008). Interactivity allows e-Retailers to enhance the Web experience by presenting the customer with more personalized services and interacting with online users willing to share experience. Interactivity embraces customer service, interaction with company personnel, customization, and network effects (Constantinides, 2004; King, 2008). A unique characteristic of online shopping environments is that they allow e-Retailers to create retail interfaces with highly interactive features (King, 2008). Research on the user interface suggests that the nature of interface design is an important factor affecting the success or failure of commercial websites (King, 2008). One of the most important design elements is interactivity (Auger, 2005). However, in an empirical study Constantinides and Geurts (2005) found that interactivity did not have a significant impact on the choice of vendor. Thirdly, trust could be described by hope, faith, assurance, confidence, and initiative (Lewicki, McAllister, & Bies, 1998). Trust includes transaction security, customer data misuse, customer data safety, uncertainty reducing elements, and guarantees (Constantinides, 2004; Constantinides, 2002; Consantinides, Lorenzo-Romero & Gomez, 2010; King, 2008; Lee, 2002). The willingness of consumers to trust e-Commerce firms will have a significant impact on their success (Constantinides, 2004; Constantinides, 2002; Consantinides, Lorenzo-Romero & Gomez, 2010; King, 2008). Constantinides & Geurts (2005) found that although consumers talked about trust being an important part of online shopping, the actions of consumers in their study did not support this. Firms respond to consumer concerns by investing in Web site security, which has become a multibillion-dollar industry (eMarketer, 2005). Lately, independent companies; e.g. www.truste.com, have emerged to verify, audit, and certify the privacy policies of various web sites (Ranganathan & Ganapathy, 2002). Fourthly, aesthetics are inducing positive and powerful motives for visitors to stop, explore and possibly interact with the site. Aesthetics embrace presentation quality, design elements, and style/ atmosphere. Buschke (1997) and Klein (1998) propose that one of the key elements in a successful commercial website is its interface and design. A report by Chain Store Age (1997) indicates that poor Web site design has been a key element of several high profile site failures. Specifically, the impact of a poorly designed website on consumers is similar to the impact of poorly designed physical facilities on banking or retail customers. Lastly, marketing mix—including fulfillment—are essential contributors to the Web experience and play an important role in influencing the purchase decision process of a consumer. There are a number of marketing models that have been used to aid marketer in traditional retailing (Constantinides, 2002). According to Constantinides (2002) the various models include the 4Ps, Product, Price, Place, Promotion (Borden, 1964); the 3C's (Ohmae, 1982), Customers, Competitors, Corporation and the 5v's, Value, Viability, Variety, Volume and Virtue (Bennet, 1997). However, none of these models work for Internet based businesses. Therefore academics, consultants, managers and organizations need to understand the factors affecting the customer experience and potential role of each factor in each stage of consumer buying process (Constantinides, 2002).

2.2 The Customer Decision Process

Bei and Widdows (1999) ascertained the extent to which consumers achieved highest value for money under different conditions and examined the influences of information on consumers' purchase decisions in an experimental setting. As in the case of traditional marketing in the past, most of the recent research and debate is focused on the identification and analysis of factors that one way or another can influence or even shape the

online consumer's behavior; a good deal of research effort is focused on modeling the online buying and decision-making processes (Miles, Howes & Davis, 2000; Liao and Cheung, 2001; Joines et al., 2003). While many researchers do not see any fundamental differences between traditional and online buying behavior, it is often argued that a new step has been added to the online buying process: the step of building trust or confidence (Lee, 2002; McKnight, Choudbury, & Kacmar, 2002; Suh & Han, 2002). Swaminathan (2004) finds that specific goals, such as variety seeking, prompt online shopping, however a desire for immediate possession motivates in-store shopping. Cognitive psychology research offers a general approach for understanding how goals influence consumers' perceptions and behavior (Barsalou, 1991).

Goals also provide explanatory links between attributes of the shopping scheme that facilitate cohesive categories and behavioral directions (Pervin, 1982). Goals affect need recognition, information search, evaluation, purchase, and post purchase stages (Puccinelli et.al, 2009). These processes are called the EBM model, which is a modification of the original Engel, Kollat and Blackwell (EKB) (1968) model. The model is composed of three elements. The online consumer's decision process starts with the stimulation of the need, which may be sufficiently large to stimulate search. Next, the consumer searches for information and generate a set of preferred alternatives. Then, the consumer evaluates and compares alternatives. Finally, post-purchase evaluation is carried out with a view to aid future decision-making (Bettman, 1979; Dibb, Simkin, Pride, & Ferrel, 2001; Jobber, 2001; Kotler, 2003). The decision-making processes of the consumer impact the decisions that companies make when designing online shopping websites.

3. Method

This research paper uses a literature review of academic papers from 2004 through 2012 on the factors affecting online customer experience and a case study to obtain a better understanding of the factors influencing conversion rate optimization. The paper uses the case study to present a new model for conversion rate optimization. According to research is particularly advantageous when "how" or "why" questions are asked about a current set of events over which the researcher has no control. The case study approach refers to a group of methods, which emphasize qualitative analysis (Yin, 1984). The research undertakes an in-depth interview, approximately one-hour in length with the founder of Clixo at a 2012 United States "online marketing" forum. Additional follow-up questions were given via email. Clixo is a US based search marketing and conversion rate optimization firm. The purpose of the interviews was to explore the role of the web experience including website design and customer concerns from a successful conversion optimization organization. The goal of this research is to see if the theory proposed by academics matched the reality of a successful company.

3.1 Conversion Framework: The Clixo Model

Clixo was founded in 2007. Its services are used to generate leads and e-Commerce sales. Clixo has been a partner for campaigns for such diverse companies as Motorola, Nissan, Samsung, Hyundai, Peugeot, and Hasbro. The management team at Clixo has a very clear vision of where the company fits into the marketplace. Matt Dombrow, one of the founders of the company stated, "our goal from the start was to build a boutique agency and not grow far beyond 5 – 8 people" (Personal Communication, Oct 23, 2012). The company has a policy of only working with clients that they know they can help and saying no, when they feel the fit is not strong (M. Dombrow, personal communication Oct 23, 2012). Another key component of Clixo's success has been their proprietary model called Clixo's Conversion Framework™, which has been used to optimize websites. This framework is composed of five elements (Figure 1) that surround the visitor, catalyst, value, usability, persuasion, and confidence. The model was developed over a period of 9 years and is based on a combination of research and extensive real world work with clients (M. Dombrow, personal communication Feb 7, 2012). Each of these elements are a filter that the company uses to decide how they can increase the value of a website for the customer, improve the value of the landing page, and improve usability with the conversation theme as the backdrop for how the company is going to improve website.

Figure 1. Clixo's conversion framework™ (Used with permission)

In Figure 1 the *Visitor,* the customer, is the center of *Clixo's Conversion Framework;* it represents a core value of Clixo's vision. The company strives to acquire the perspective of the visitor by focusing on the mindset of the visitor. They must implement actions based on visitor experience, which contributes to the visitor purchasing products/services on an ongoing basis (M. Dombrow, personal communication Feb 7, 2012).

Surrounding the visitor are five elements. The first element that will be discussed is the *Catalyst,* which is the motivation and traffic source. Clixo strives to explore and understand the motivation of the visitor, so that they can better understand those visitors that are highly motivated to purchase a company's products or services. The traffic source tells the company where the visitor is coming from; this is necessary because it allows the company to determine whether the visitor is coming from a paid search, a house email list, or if they are an existing customer. The *Catalyst* for the visit helps Clixo identify what stage of the buying process visitors are in, so as to determine how to best start the conversation with the visitor (M. Dombrow, personal communication Feb 7, 2012).

The next element is *Value* which means being unique, specific, and relevant. There are two levels of value, the company level and products/services level. The company level is related to visitor's understanding of a company website's uniqueness, while the products/services level is related to customer perception about the reasons for buying products/services from the company website. It is imperative that the company applies both levels of value simultaneously. For example if a customer wanted to find the best brain surgeon, they might be asking themselves, "Does anyone know of a good brain surgeon?" How would they make a decision for choosing the best brain surgeon based on these statements? "I have been a top surgeon in Austin, Texas for many years." This statement is relevant because it addresses a top surgeon. However, it is not specific and unique since it does not describe what kind of surgeon and exactly how many years this surgeon has been practicing. Another statement would be "Performed over 300 successful brain surgeries and named #1 brain surgeon in the United States by Time Magazine." These are more practical statements that are specific, unique, and relevant, which conveys value. Using creative and persuasive copywriting is very important (King, 2008). Ultimately, value is based on customer perception. When companies try to determine what value is; the methodology should be to check with the customers (M. Dombrow, personal communication Feb 7, 2012).

The third element is *Usability,* which means designing a web site to be user friendly, easy to use and intuitive. The importance of usability has been well documented (Cheung, Zhu, Kwong, Chang, & Limayem, 2003; Constantinides, 2004; Constantinides & Geurts, 2005; King, 2008; Tan & Wei, 2006). To create a user friendly website, companies must stay away from frustrating navigation such as fly-out navigation or a fly-out menu. To create an easy to use website requires navigation to be clickable such as a click here link. Furthermore, intuitiveness requires a website to be skim-able and scan-able. Using excellent copywriting and displaying text in bullet points, headlines, bold type, or using sub header techniques (M. Dombrow, personal communication Feb 7, 2012; King, 2008). User-friendly web design also involves implementing dark color text on a light background, which is visually easier to read as opposed to using light color text on a dark background. When examining world-renowned websites such as Yahoo.com and Google.com, there is clearly a different usability concept in their design. The Yahoo home page displays a full and busy site with plenty to absorb such as headline news, banner ads, and hyperlinks, drawing attention away from their search engine. On the other hand,

Google, a search engine, has a simple, clutter-free design on their home page, which focuses the attention of the visitor specifically on their search engine. This model has been very successful for them. However an example from another category is Cragislist.com, which is a classified advertisements website with sections devoted to jobs, housing, personals, for sale, services, community, gigs, resumes, and discussion forums. Craigslist's design is demonstrates the different needs and values of its customers. The main page is covered with text. It provides the user a number of options to click so that they can find what they are looking to buy. In summary, companies have to consider what they are communicating to their customers because usability, ease-of-use and intuitiveness do not always mean that creating a simple website will be most effective (M. Dombrow, personal communication Feb 7, 2012).

Persuasion is the fourth element guided by clarity and incentive. Clarity pinpoints the company's value proposition to visitors by means of communicating the proposition with pictures, words, layout, and design on a company's web site. These specific communication tools on the company site will either support or take away from the value proposition. Incentive is the means by which a company incentivizes visitors to take action – for example "if you buy today, we will send you a free t-shirt." Value comes from customer perception as to what they perceive is more valuable. The main point is determining what incentive to use (one that has a high-perceived value and a low cost of delivery) by providing the appropriate communication response platform so that the online retailer can understand the customer's desires. Persuasive copywriting is not necessarily focused on being extremely creative, but rather being clear. This usually means being brief and being bold and adding personality to the text (King, 2008). Retailers can also see improvements in their conversion ratios by providing valuable incentives to move visitors forward in the buying process. In other words, persuasion is a dialog between the company and their online visitor, which encourages and allows visitors to easily take action (M. Dombrow, personal communication Feb 7, 2012).

Persuasion is comprised of three phases: attraction, engagement, and action. The first phase is attraction or grabbing a visitor's attention, which can be achieved with ads or headlines. Engagement is the next phase and it can be accomplished in the copy or materials. Action is the last phase to convince visitors to take action by using calls to action, offers, and incentives. Examples of calls to action would be contact us, schedule a free in-home consultation, buy now, and add to cart. Most companies provide a "contact us" button or link on their website, however it is not an effective call to action since it does not offer a value proposition. A more effective call to action would be to use "schedule a free in-home consultation" since it would appeal to visitors looking for value. Both "buy now" and "add to cart" have subtle differences, however there is a huge difference from a persuasion standpoint. "Buy now" captures an anxiety invoking feel where money is perceived to be sucked out of visitor's pocket, whereas "add to cart" is an effective means to allow visitors to feel at ease with their purchase decision allowing them more time to review their orders accurately. Importantly, choosing the right words or phrases can make all the difference for companies in creating great value propositions (M. Dombrow, personal communication Feb 7, 2012).

The last of the five elements is *Confidence*. Confidence is about reducing anxiety and increasing credibility and trust. Ways to reduce anxiety on a website include featuring different online trust symbols such as VeriSign Secured, security seals, or a lock pad icon, which allows online visitors to recognize a safe place to transact business. Increasing credibility and trust can also be achieved by displaying accolades that come from credible sources, if applicable. Also, testimonials aid online visitors to feel less anxious once they realize that other customers have done business with a certain company. For example, free online trial offers have a general tendency to create anxiety with fine print or gimmicks that entice the customer into an auto enrollment program which customers are not particularly thrilled about. Realizing these problems, companies must reduce anxiety and increase confidence by being as clear and transparent with their information as possible (M. Dombrow, personal communication Feb 7, 2012).

4. Results

Three different cases were analyzed in order to develop an understanding of the effectiveness of the model. Three organizations from three different industries were chosen. Each of the three different organizations showed significant improvement after the application of the model.

4.1 SAAS Software

A field services software company was struggling to get prospective customers to complete a free trial page. Applying the model Clixo asked discover questions to determine the questions and concerns that prospects typically had. Since the customer is at the center of the framework, it is important to better understand the customer. Then the framework was used to analyze the form page. Several usability and persuasion issues were

identified.

Several actions were taken based on the analysis. The form page was moved back to the main site URL to reduce confusion. In addition to this the form page was rewritten with a clear introduction of the value of the free trial. Finally the number of form fields was reduced so as to decrease anxiety. These actions resulted in a change of the customer conversion rate from 4.89% to 9.55%. The conversion rate nearly doubled.

4.2 B2B Customer

In this case a phone systems and services company for small businesses was not receiving a strong response from its website. Discovery sessions were conducted with the sales team and interviews were held with customers. The research was able to uncover the sales messages that had the largest impact on customers. The analysis revealed that since the objective was to generate a phone call rather than actually selling a phone system the copy was changed to focus on the key points that the customers really cared about.

A new micro-site was created and advertised though an email blast. The new site generated three phone calls for each phone call that the original site received. This represents a nearly 200% increase in the desired result.

4.3 ABC Skin Care

In this case a high-end skin care products company was having challenges getting people to purchase products online. Customers were advised to purchase skin care products by physicians, but the client suffered from poor brand recognition and intense price competition. The client also suffered from a lack of trust on the part of customers, because the products were typically only sold in doctor's offices.

The model was applied and the investigation showed that there was a clear distinction between returning and new visitors. Reorder rates were high, so the task was to get new visitors to purchase the products. Changes were made at the category and product level pages to emphasize the unique value of the products with respect to new visitors. The conversion rate increased from 5.01% to 5.63%, while revenues jumped 18%.

5. Discussion

Recently, online retailing has attracted a great deal of attention due to its ability to enable direct interaction, lack of variable costs, flexibility and superiority in targeting customers (Dellaert, et al. 1998 as cited in Moe & Fader, 2004; Peterson et al., 1997). The low cost of visitation from customers also contributes to the low conversion rates (Moe & Fader, 2004). From the customer point of view, online shopping offers convenience, value and hedonic consumption possibilities (Eroglu, Machleit, & Davis, 2001). In general, the online customer relates to interaction with technology to purchase products/services and having to trust the site (Heijden, Verhagen, & Creemers, 2002). The process of creating trustworthiness on online is challenging, especially when the company attempts to convert visitors to customers (Constantinides, 2004; Constantinides, 2002; Consantinides, Lorenzo-Romero & Gomez, 2010; King, 2008; Schlosser, White & Lloyd, 2006).

From the off-line retailer's perspective, they are utilizing their Web presence as a communications tool only and are satisfied with an online presence without any consideration as to the role of the Web site in overall marketing activities (Doherty et al., 1999). Online retailers realize they must understand both physical marketing tools and creating and delivering the proper web experience (Constantinides, 2004). The model developed by Clixo is an important step in changing the way online retailers view the customer experience. Online retailers must focus more on the customer, and this is why the model has the customer at the center (M. Dombrow, personal communication Feb 7, 2012). The rest of the model is developed around the needs of the customer with the goal of enhancing their experience and converting them into buyers. However, online retailers are failing to recognize that the Web experience indicates positioning the brand differently for online customers (Clancy, 2000).

The three cases show the effectiveness of the model in improving the achievement of the desired action from the customer. The model provides and excellent foundation for academics, consultants and online retailers to work to created customer centered websites. The model also provides practical advantages to organizations by enhancing sales and profitability.

Figure 2 introduces the Conversion Rate Optimization Framework. The horizontal axis identifies the customer decision process, which includes five stages: need recognition, information search, evaluation, purchase, and the post purchase stage; the vertical axis identifies the level of web experience as the visitor encounters. The framework starts with catalyst which evaluates how a customer finds a particular website. The second element is aesthetics or the design and style/atmosphere of web sites. The first and second elements cover three stages of the customer decision process, which are need recognition, information search, and evaluation. It is imperative that the visitor experiences an overwhelming great first impression on the company website and searches

products/services comprehensively. We know that catalysts and aesthetics are also likely to influence how customers perceive and evaluate products.
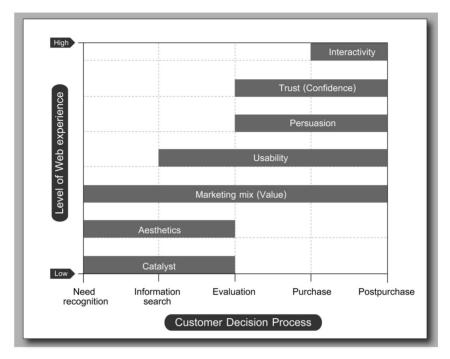

Figure 2. Conversion rate optimization framework

The third element is marketing mix (value), which includes fulfillment, product, price, and promotion. The marketing mix impacts on the behavior of Web users searching the Internet or buying products and services online which refers to all steps in customer decision process. The fourth element is usability, which includes ease of use, convenience of using the site, and site navigation. Usability promotes the online visitors satisfaction to continue to search more pages since they expect fast loading web pages, easy site navigation and easily accessible information, and easy purchase. Consistently, the consumer might turn away to other faster sites in case of the present site is delay in searching or in loading a web page. Poorly designed navigation has a negative impact on online sales (Bellman, Lohse, & Johnson, 1999). Usability does not influence the need recognition stage of the consumer decision process, but rather information search, evaluation, purchase, and post purchase. The fifth element is persuasion, showing clarity and offering a value proposition. Persuasion involves on three phases of the purchase decision process; attraction, engagement, and action. The sixth element is trust (confidence) covering transaction security, customer data safety, and guarantees/return policies. Also, e-Retailers have to offer some form of email and frequently asked questions (FAQs) to reduce uncertainty. Persuasion and trust associate with evaluation, purchasing, and the post purchase stage of the customer decision process. The seventh element is interactivity, which is customization and customer service/after sales. For example, e-Retailers offer online help-desks for technical assistance, user's forums, or bulletin board. Interactivity covers the last two stages of customer decision process; purchase and post purchase decisions. All seven elements may help to convert more visitors to become customers (M. Dombrow, personal communication Feb 7, 2012). The model can be used by companies or website developers to generate ideas to enhance conversion rate optimization. "There is no substitute for understanding the customer's questions, concerns, and the buying process" (M. Dombrow, personal communication Feb 7, 2012) and using the model can aid in doing just that.

In an online retail environment, each element of the new model represents a part of the web experience that can enhance the consumer's interactive shopping experience. Starting with the catalyst, which provides an awareness of visitor motivation to visit a site. Aesthetics is related to an effective design of the web interfaces that provide a strong first impression to the visitor. The role of aesthetics relates to users' perception and the overall experience of their interaction (Karvonen, 2000; Lindgaard and Dudek, 2002). The 4Ps; product, price, place, promotion, in the virtual environment affects the consumer's decision making process, but is much more limited than in the

physical market setting are different from the 4Ps in a Web environment including timeliness and directness (Constantinides, 2002). Usability relates to difficulties in navigating websites which is a hurdle for online purchases (Palmer 2002, Raganathan and Ganapathy 2002), whereas well-designed navigation exerts a positive impact on sales at the e-commerce website (Bellman et al., 1999). Designing effective link structures for customer interfaces is crucial for the success of e-commerce websites (Yoo & Kim, 2000). Persuasion motivates visitors to take the purchasing action. When e-consumer perceived that the website was usable, trust of e-consumer increases, consequently, increasing the degree of website loyalty (Flavian, 2006). With enhanced interactivity, value delivery improves, resulted in longer-term relationships with customers being established. Nevertheless, the impact of each element of web experience on conversion rate optimization will depend upon how well the manager serves efficient website experience to the e-visitors, resulted in converting e-visitors become customers.

6. Conclusion

The new conversion rate optimization framework provides organizations with a practical framework that takes into consideration the customers' level of web experience and their decision making process. The framework can help organizations develop websites that appeal to customers and convert more visitors into buyers. The framework is designed to benefit both businesses and consumers. It remains customer focused as was the Clixo model, and is designed to allow companies to provide customers with a better online shopping experience, which will create more online shopping and more profits for E-tailers. It seems clear that with a new of online retailing that a single model will not be sufficient to allow organizations to effectively convert customers. Companies and researchers have long realized the growth potential of Internet marketing (Consantinides, Lorenzo-Romero & Gomez, 2010; Kim, Shaw & Schneider, 2003; Moe and Fader, 2004; Rosen & Purinton, 2004). Researchers and organizations can work together to improve the customer experience, to benefit customers and companies; providing customers with a more effective experience and companies with increased profits. Previous research has shown that web experience components assist e-Retailers to increase Website design efficiency and Website conversion rates, which leads to substantial positive impact on their performance (Constantinides, 2002; Constantinides 2004). However with the complexities of e-Tailing the existing models were ineffective at providing a comprehensive and effective conversion framework. This paper examined the literature and conducted a case study as the bases for creating a new model for customer conversion at web sites. A new model has been created to assist managers and website developers to create sites that will improve conversion rates. However, a statistical analysis of the impact of each of the seven variables of a Web experience on customer's purchase intention should be analyzed in further research to pinpoint areas that are more critical to the significant improvement of conversion of visitors at e-commerce websites. In addition, the effect of product type and consumers' experience at the website should be also considered in investigating consumer behavior (Kuan, Bock, & Vathanophas, 2008).

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