MEMCYCO

eBook

10 Surprising Reasons That Explain Lower Conversion Rates

Introduction

Competition is fierce in the B2C eCommerce space. Retail marketplaces, financial service companies, D2C brands, and other players fight through the noise to bring traffic to their websites and storefronts, but more often than not, they don't get the sales and profit numbers they want. The reason? Low conversion rates.

Generally speaking, conversion rates are low to begin with. If all traffic from any landing page across all industries is 100%, the average conversion rate is only 2.35%. That means if your online business is converting visitors between 2-3%, you're probably doing fine—but the margin of error is minimal between good and poor conversion rates.

Along with reduced revenues, poor conversion rates significantly negatively affect B2C businesses, including reduced marketing ROI, damaged brand reputation, increased customer acquisition costs, and impaired customer lifetime value. In eCommerce, your conversion rate is the key metric that impacts your bottom line, so improving it is critical to your business's health and growth.

Fortunately, there are several ways to level up your website to increase conversions. We'll take a closer look at conversion rates, discuss conversion rate optimization (CRO), and reveal surprising reasons that explain lower conversion rates—and what you can do to increase them.

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Chapter 1

Calculating Your Conversion Rate

Calculating Your Conversion Rate

Now that we're clear on the conversion rate let's review how to calculate it. Simply divide the total number of conversions by the total number of visitors, then multiply that result by 100 to get a percentage.

The trick to doing this accurately is understanding exactly how you define a conversion. Once you know that, the calculation couldn't be easier: plug in two numbers, divide, then multiply by 100.

For example, perhaps you have a contact form on each website page, and you define a conversion as filling out the form and submitting it.

The total number of contact form submissions would then be divided by the total number of website visits and multiplied by 100. If you had 35,000 website visits and 600 submissions in the first quarter of 2023, your conversion rate would be 1.7%—a bit low but fixable, as we'll see.

This procedure can be repeated for each conversion opportunity on your website. However, ensure that your calculations are limited to the number of visitors on web pages where the offer you are determining the conversion rate for is posted.

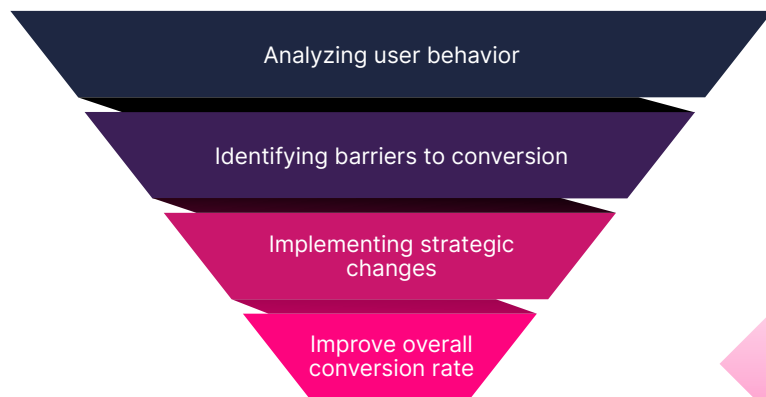$$\text{Conversion Rate} = \frac{\text{No. of Conversions}}{\text{Total visitors}} \times 100$$

Conversion Rate Optimization Unpacked

Conversion Rate Optimization Unpacked

Of course, the idea behind measuring conversions is always to increase your conversion rates. This is Conversion Rate Optimization (CRO), the systematic process of improving a website or digital marketing campaign to increase the percentage of visitors who convert into customers or complete a desired action.

CRO involves:

- Analyzing user behavior
- Identifying barriers to conversion
- Implementing strategic changes
- Improve overall conversion rate

Content improvements, Search Engine Optimization (SEO), split testing, and process improvements contribute to CRO. Optimizing conversion rates generates higher-quality prospects, boosts sales, and lowers customer acquisition expenses.

CRO aims to maximize the effectiveness and efficiency of a website or marketing funnel by understanding and addressing the target audience's needs, preferences, and behaviors. Businesses can enhance user experience, increase engagement, and drive more conversions and revenue by making data-driven improvements.

Average Conversion Rate Distruption	
Distribution Point	**Average Conversion Rate**
Average Websites	2.35%
Top 25% of Websites	5.31%
Top 10% of Websites	11.45%

How CRO Works

Here are the basics of how to get started with CRO.

First, study how people interact with your website or campaign. Look at website analytics and heatmaps, and talk to users to understand what they like, what's holding them back, and what could be improved.

Next, set clear goals for what you want users to do on your website, such as buying your service or signing up for your newsletter.

With those goals in mind, develop hypotheses for improving your website or campaign based on what you've learned about your users and what's worked well in your industry. It could be changing the wording of a headline, testing different colors for buttons, or improving the layout.

Then, run experiments to test your hypotheses. Show different website versions to different users and see which performs better. By comparing the results, you learn what changes are positively impacting your conversion rate.

To measure the success of your CRO, continuously track your conversion rates over time. Regularly review and analyze the data to identify areas for further optimization.

Ultimately, conversion rate optimization is all about continuously improving and making your website more effective. It's a way to ensure you give your visitors the best experience possible so they're more likely to take the actions you want.

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A quick way to begin CRO on your website, campaign, or content is to follow this handy checklist that might be holding you back.

Reason #1
Do you have a strong call to action (CTA)?

The instructions you give your audience to perform the desired action is probably the most critical factor in getting them to do that action. The most effective CTA's are relevant to where your audience is in the customer journey or their stage in your sales funnel.

This is an aspect that's frequently overlooked and with potentially disastrous results. You'll notice a significant drop in conversions for a particular item of content or landing page when your call to action doesn't align with your audience's goal.

Four key areas to check on are:

1. Copywriting

For maximum effect, your text should make use of strong verbs and action words and frequently personalize your CTA's with "you," "your," and "my." Nobody wants to be told to "click" or "submit," so "Get My Free Memcyco eBook" is far better than "Click Here." Using a generic "Buy Now" or "Sign Up" on buttons throughout your landing page won't be as effective as button copy focused on the benefits the target gets, such as "Buy Now - 30% Discount."

2. CTA Design

A CTA must be visible before a person can click it. Eye-catching graphics are beneficial, so this is one instance where deviating from your brand's style guide is acceptable. Use colors that stand out over the other elements of your content and contrast with the rest.

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3. Funnel Stage/Customer Journey

A CTA works best when it is pertinent to the user's intent and the embedded content. It's preferable if the customer is directed to a specific landing page appropriate for their customer journey stage rather than a random website page.

✓ At the top of the funnel, use CTA's that drive continued engagement or share information: "Get your free report."

✓ At the middle of the funnel, CTAs should concentrate on relevance and emphasizing the expertise of your educational content while articulating a compelling value proposition: "Get your free case study today."

✓ At the bottom of the funnel, CTAs are the most effective if personalized around intent and relevancy: "Book your free consultation now."

4. Value Proposition

Your CTA should be absolutely clear regarding what happens next or what the audience will receive in return for acting. This is not the time to be vague or indirect—make sure they understand exactly what they get.

One final tip: Make their placement and creation a primary part of your overall content marketing strategy.

Not this:	But this:
X Download	✓ Get your free e-book

Not this:	But this:
X Submit	✓ Get free quote

Not this:	But this:
X Buy now	✓ Add to cart - Save 25%

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Reason #2
Are users having a bad experience?

Your eCommerce website is your potential customer's primary contact point with your business—and first impressions count. If a user experience (UX) is poor, it will negatively impact your conversion rates through high bounce rates, lack of clarity, friction in the conversion process, decreased trust, negative brand perception, and decreased customer loyalty.

To optimize your eCommerce website UX for a great customer experience and higher conversion rates, consider the following strategies:

Streamline the user journey
with clear navigation and fast page load times.

Simplify the conversion process
by minimizing steps and using prominent CTAs.

Personalize the experience
with recommendations and dynamic content.

Optimize your website for SEO
to improve visibility.

Implement responsive design
to ensure a consistent experience across devices.

Optimize product pages
with high-quality visuals, detailed descriptions, and customer reviews.

Leverage social proof
with testimonials, ratings, and customer success stories.

Implement A/B testing
and analyze user behavior and data to make data-driven decisions.

UX can also be affected negatively by brand identity theft such as website spoofing, cloning, and account take-over. If a potential customer becomes a victim of brandjacking fraud, the potential results include financial fraud, identity theft, network access, and the means to bypass access controls—all of which equate to a massive loss of digital trust. As such, the cybersecurity of your business website is critically important to ensuring a positive user experience.

Using a digital watermark solution like Memcyco's Proof of Source Authenticity (PoSA™) lets customers know they have reached your real website and protects your brand against impersonation.

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Reason #3
Does your brand come across as trustworthy?

Consider this scenario: a potential customer lands on your website and, after looking around the site, decides that they lack confidence in your brand or the information presented. You would likely lose a conversion because that person will hesitate to provide personal information or purchase. Conversely, if they visit your website and feel a sense of trust in your brand and the information provided, they are much more inclined to take action.

Establishing trust and credibility are vital elements in converting website visitors into customers. They often serve as decisive factors for potential customers when purchasing or taking any desired action on a website. The significance of trust and credibility in CRO lies in their direct impact on the conversion rates of a website. By effectively building trust and credibility with website visitors, it becomes possible to increase conversion rates, drive greater revenue, and ultimately foster business growth.

Factors that contribute to building brand trust in B2C eCommerce include:

- Customer service
- Employee advocacy
- Involvement in causes and issues
- Past experience with the brand
- Pricing
- Product or service quality
- Ratings and reviews
- Pricing
- Privacy and security

Carefully review your website to ensure you give your audience the best possible experience and awareness of all these factors.

There's also the concept of Digital Trust, which refers to individuals' confidence and reliability in the integrity, security, and privacy of online interactions, transactions, and information exchange. **It is the belief and assurance that digital platforms, websites, and services will protect users' data, deliver on promises, and operate ethically.**

Digital trust encompasses data security, privacy policies, transparency, user experience, customer reviews and ratings, brand reputation, and adherence to regulatory standards. Establishing digital trust is crucial for building strong customer relationships and fostering a positive online reputation.

Ensuring your website includes important trust signals such as guarantees, privacy/security notices and policies, accreditations and awards, and customer testimonials establishes digital trust that conveys that your business is legitimate—and is taking care of its customers' best interests.
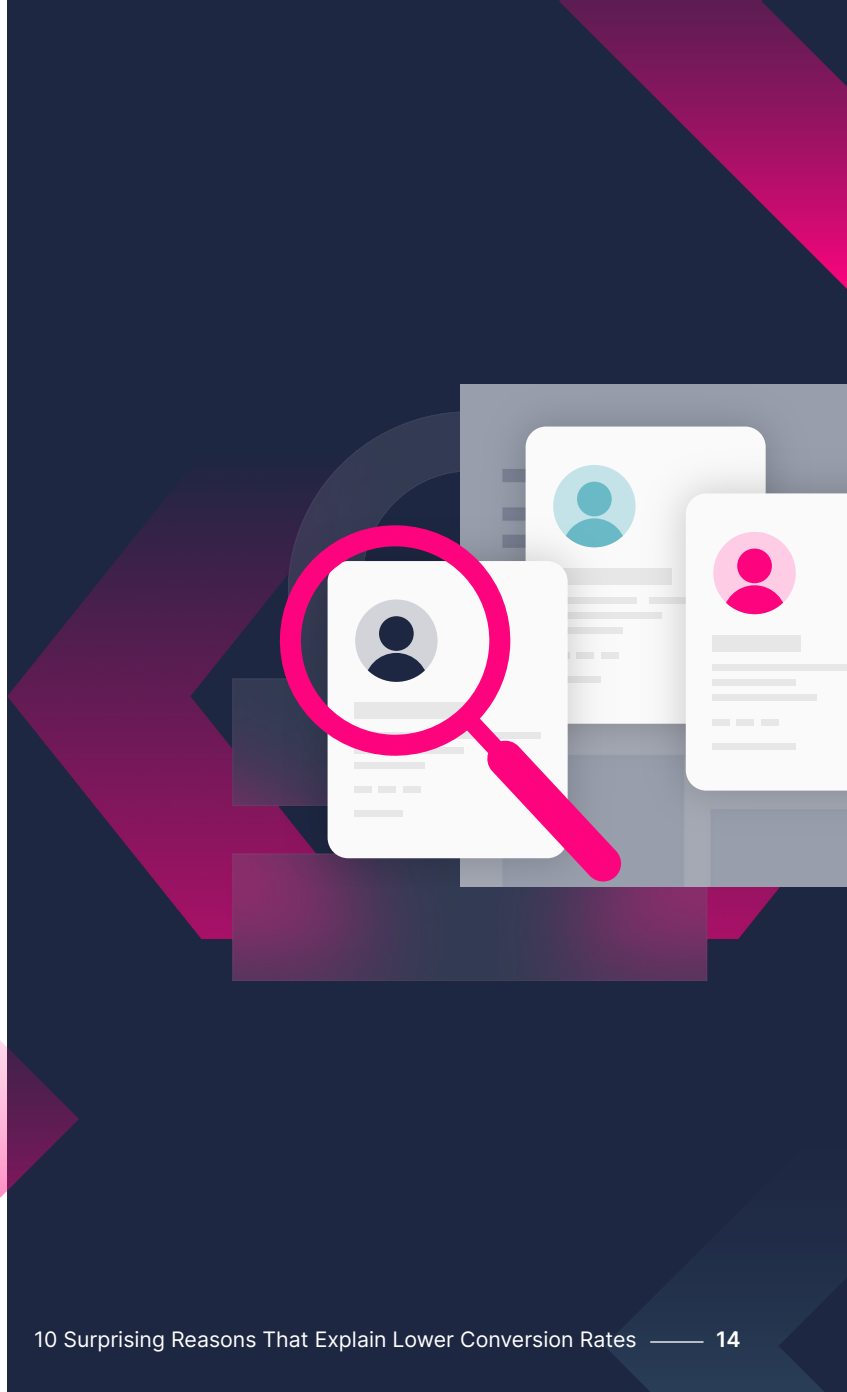
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Reason #4
Have you refined your target audience, and do you speak their language?

Failing to refine your audience and speak their language can result in a lack of relevance, poor connection, miscommunication, impersonalization, and increased competition. These factors can negatively impact your conversion rates, making it more difficult to persuade potential customers to take action and hindering the overall success of your marketing efforts.

Ensure you have thoroughly researched your ideal customer profile and that your messaging resonates with their pain points, needs, and wants. The deeper connection and improved communication you create will allow for increased relevance, better personalization, and a competitive advantage that helps you capture the attention of your ideal customers, build trust, and increase the likelihood of converting them into loyal buyers.

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Reason #5
Is your offering clear and enticing?

For your offer to convert, your audience has to understand what you are selling and need/want it. If it's not clear or enticing, customers will buy from another merchant with an offering, that is.

A clear and enticing offering is essential for clarity, differentiation, persuasion, trust and credibility, simplified decision-making, and an enhanced user experience. It enables you to effectively communicate value, stand out from competitors, and motivate potential customers to convert—driving higher conversion rates and boosting the success of your eCommerce business.

To ensure your offer is clear and enticing:

Define your unique value proposition and communicate it concisely.

Use persuasive language that highlights key benefits.

Showcase important features that solve customer problems.

Offer compelling incentives or limited-time promotions.

Utilize visually appealing elements to enhance understanding.

Provide social proof through testimonials or reviews.

Ensure a simple and transparent purchasing process.

Regularly test and optimize your offer for better results.

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Reason #6

Is your brand being impersonated and misrepresented?

With the increasing shift of businesses to online platforms, the risk of cyberattacks, particularly brand impersonation, becomes more prominent. Brand impersonation attacks come in various forms, such as cloning websites or creating fake payment pages and storefronts to deceive customers. These attacks have reached alarming levels, exceeding one million incidents in a single quarter of 2022.

Successful brand impersonation attacks harm customers and have negative consequences for the targeted organization. They require thorough investigation and remediation efforts while also eroding the organization's trust value and undermining investments in digital trust. Studies reveal that around 44% of customers have stopped engaging with a company due to a lack of trust resulting from these attacks.

Complicating matters, organizations often discover they have been victims of brand impersonation attacks only after the fact, when customers lodge complaints or the media exposes the damages. Since these attacks occur outside the organization's security perimeter on the customer's side, detecting them proactively becomes challenging.

For eCommerce businesses, it is crucial to prioritize security measures and implement robust strategies to combat brand impersonation attacks effectively to maintain and grow conversions.

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These strategies need to include the following:

Real-time visibility of brand impersonation attacks in-progress

Full visibility of the affected end-users who were attacked, the scope of the damage, and data about the impostors

Proactive damage prevention

Alerts to end users that keep them from falling for impersonating sites

But above and beyond those solutions, **businesses must establish a way to mark their authentic digital presence so that customers can tell authentic sites from fake ones. Utilizing a Proof of Source Authenticity (PoSA™) solution offered by Memcyco helps close the trust gap.**

The world's first agentless security solution, Memcyco's PoSA™ enables businesses to provide security against brand impersonation attacks to their customers outside the organization's perimeter. It's a unique, unforgeable digital brand watermark that allows users to verify that they are on the brand's authentic site.
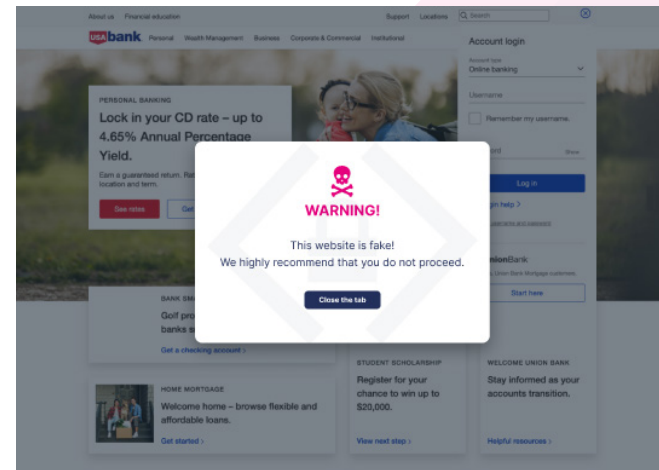
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Reason #7
Have you reviewed your bounce rate?

Your bounce rate is the percentage of website visitors that navigate away or "bounce" from a website after viewing only a single page without interacting further or visiting any other pages. This commonly used web analytics metric measures the effectiveness of a website in engaging visitors and keeping them on the site.

A high bounce rate typically indicates that visitors are not finding what they are looking for or are not sufficiently engaged. In contrast, a low bounce rate suggests that visitors explore multiple pages and engage with the content.

High bounce rates can be caused by several factors, including:

- X   Poor website design or user experience

- X   Irrelevant or poorly targeted content

- X   Slow page load times

- X   Lack of mobile optimization

- X   Misleading advertisements

- X   Lack of relevance to search queries

- X   Lack of engaging or compelling content

If you've noticed a recent increase in bounce rates, it's possible that cyber attacks have been hijacking your traffic. It's essential to analyze your website's data and user behavior to identify the exact factors affecting your bounce rate and take appropriate actions to improve it.

To reduce your bounce rate and increase conversions, try the following:

Use a welcome pop-up
to highlight the benefits of doing business with you.

Resolve friction issues in your website's navigation and search
to make finding and buying your products and services easier.

Prominently display social proof
like testimonials, reviews, or social media posts.

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Reason #8
Have you communicated a clear USP?

A clear, unique selling proposition (USP) plays a vital role in conversion rates by differentiating your offering, making it relevant and persuasive, providing clarity to customers, and building trust. It helps you effectively communicate your product's unique value and benefits and ultimately helps increase the likelihood of conversions.

Developing a compelling and customer-centric Unique Selling Proposition (USP) is essential for driving value. To create an impactful USP, consider asking yourself two key questions:

1 **What problem is my target audience facing?** Understand the challenges and pain points your customers are experiencing.

2 **How can I solve the problem better and faster than others?** Identify how your product or service offers a unique and superior solution compared to competitors.

Remember that your USP should go beyond mere words. It should permeate every aspect of your business, including pricing strategies, offers, and customer support. Align your actions and operations with your USP to deliver your customers a consistent and value-driven experience.

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Reason #9
Too little or too much information?

Having too little or too much information on a website can have negative impacts on conversion rates:

Too Little Information
When a website lacks sufficient information, it fails to provide visitors with the necessary details they need to make informed decisions. Visitors may hesitate to take the desired action because they don't have enough information to justify their decision. They feel **confused, uncertain, and lack trust in your brand**. Your conversion rates may suffer as potential customers abandon the site searching for more comprehensive information elsewhere.

Too Much Information
On the other hand, overwhelming visitors with excessive information can also hinder conversion rates. Visitors may become overwhelmed, find it **challenging to navigate the website, or struggle to extract the key information they need**. This can create a sense of frustration and prompt visitors to leave the site without converting.

The solution is to provide enough relevant and concise information that addresses visitors' needs and concerns without overwhelming them. It's important to present the essential details about your product or service, its benefits, pricing, and any other relevant information in a clear and organized manner. Compelling visuals, user-friendly layouts, and clear CTA can also help guide visitors through the conversion process.

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Reason #10
Is your site gaining enough visibility?

Two common factors are that your website's content and keywords haven't been refreshed or updated in a while.

When content stagnates, it hampers your site's visibility, potentially leading to decreased organic traffic and lower conversion rates. To ensure your site gains the necessary visibility for optimal conversions, consider the following strategies:

Regularly Update Content and Catalog

Identify areas for improvement, and incorporate fresh, relevant information at regular intervals. Ensure your catalog is updated with the latest product offerings, enabling customers to explore and discover new products and categories.

Optimize Your Keywords

Utilize keyword tools to identify relevant keywords aligned with current search trends. Incorporate these keywords strategically throughout your content, meta tags, headings, and descriptions.

Enhance SEO-based Discoverability

Pay attention to image file names and alt tags, ensuring they accurately describe the content and incorporate relevant keywords. This practice helps search engines understand your images and improve their visibility in image searches.

Strengthen Your Social Media Presence

Share engaging, relevant content that resonates with your target audience to generate interest and interactions on social media. Encourage social sharing of your content to expand your reach and enhance brand awareness.

Conclusion

B2C eCommerce businesses need to maintain strong conversion rates if they want to succeed in the face of fierce competition. But the margin for error is small, so if your conversion rate is lower than expected, you need to engage in conversion rate optimization (CRO).

Trust is one of the most critical factors that gets website visitors to become customers. They need to know your brand stands for something and believes in their security before they will share personal information through the purchasing process. Memcyco offers brands security solutions that enhance digital trust, protect customers and your business from digital fraud and brand jacking, and help to thwart brand impersonation attacks.

Contact Memcyco today for unparalleled cybersecurity defense. Benefit from real-time protection against website spoofing and brandjacking, ensuring security for your enterprise and customers. Our all-encompassing solution guarantees rapid attack detection, immediate alerts, thorough forensics, and innovative mitigation strategies. Trust us to safeguard the pivotal time between fake site creation and swift takedown.

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