

Top 5 conversion opportunities for digital marketers

Optimization tactics for digital marketing impact

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Strategic consumer engagement and conversion is the cornerstone of any profitable online business. Digital marketers are strongly focused on improving these to increase returns on marketing investments. However, results from the Adobe 2012 Digital Marketing Optimization Survey indicate that there are still significant untapped investment opportunities to improve conversion through data-driven optimization.

Adobe defines optimization as taking action on rich data and content to deliver the highest return on marketing spend and efforts. For the purpose of this survey, we focus on conversion optimization—the process of monitoring conversion events on your website or mobile site from landing page through checkout to identify key areas that you can monetize immediately and those areas you need to enhance. Tools for optimizing conversion include multivariate testing (MVT) or A/B testing, targeting, recommendations, dynamic navigation, personalization, rich media, and site search.

The Adobe 2012 Digital Marketing Optimization Survey received global responses from more than 1,700 digital marketers. The survey focused on business-to-consumer and business-to-business commerce across retail, finance, media, technology and consumer goods industries. With expert contribution from marketing authorities at ClickZ, this survey report focuses on key areas in which digital marketers need to excel in order to ensure success: social, mobile, personalization, and customer experience.

Leveraging these best optimization practices can help digital marketers immediately improve conversion and returns on marketing investment:

- Prioritize optimization across your organization as a strategic process
- Use a data-driven approach to optimization
- Optimize conversion with video
- Optimize all mobile channels
- Optimize social engagement

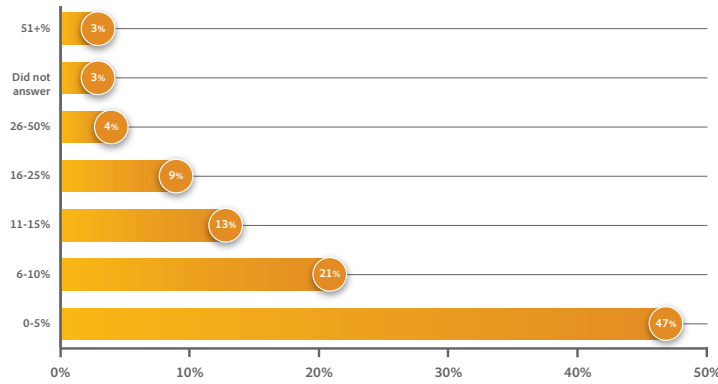
1. Prioritize optimization as a strategic process

Despite the importance of digital optimization to conversion and marketing investment returns, survey results demonstrate that 81% of respondents allocate 15% or less of their marketing budget to on-site optimization efforts—up only 1% from our 2009 survey.¹ While the digital marketing landscape has continued to evolve to meet customers' high expectations, there has been little change in investment to meet the demand with marketing spend that really counts. Research shows that marketers spend \$92 to acquire traffic and \$1 to optimize it.² Greater balance in investment between acquisition and optimization is needed to drive higher returns.

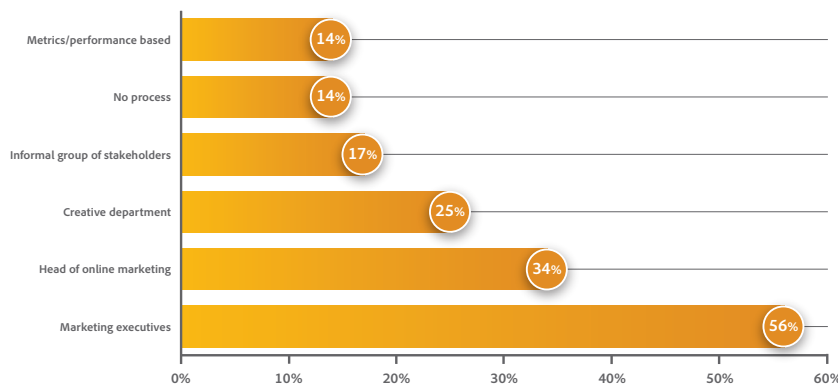
¹ Omniture. 2009. Survey Provides Online Marketers With a Roadmap for Optimizing Conversion. www.omniture.com/press/730.

² Omniture. 2009. Survey Provides Online Marketers With a Roadmap for Optimizing Conversion. www.omniture.com/press/730.

What percentage of your marketing budget is allocated to optimization activities (including agency fees, professional services, and technology)?



Who or what determines which promotion/marketing content is displayed on your site and in your marketing communications?



While often slow to gain momentum initially, prioritizing optimization within an organization can make a huge impact to the top- and bottom-line revenues. As industry analyst John Lovett notes, it's not uncommon to see double-digit lifts in conversion as a result of pragmatic conversion optimization achieved through several small initiatives—for example, subtle adjustments in placement and messaging—not a large overhaul. This process is especially true for organizations that are new to conversion optimization and for initiatives that typically debut on inconsequential pages deep within the site. As these optimization initiatives have demonstrable results of success, they begin to appear on more and more prominent pages. Companies that embrace conversion optimization through small wins, combined optimization tactics, and acute focus are attaining more conversions, establishing deeper customer loyalties, and asserting competitive advantage over their peers.³

To prove the value of digital experience optimization, ClickZ marketing experts recommend having someone in another business unit identify a few areas where you can perform small tests aimed at optimizing your digital marketing activities. By demonstrating small wins, a marketer can point to results and show how shifting money from acquisition to optimization can either save money or generate new revenue.

³ Lovett, John. 2011. The Online Conversion Imperative. Adobe Systems Incorporated.

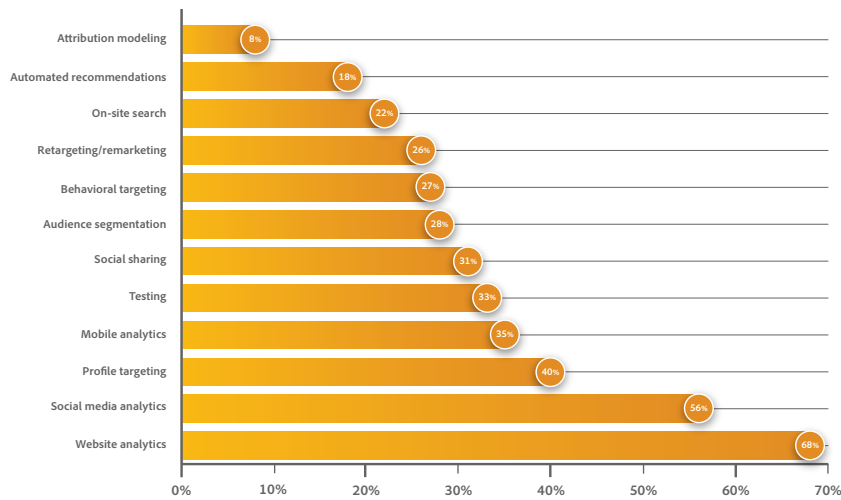
"A rate-limiting factor for how often optimization takes place is the bandwidth to undertake the analysis and draw actionable insights. The ability to automate these activities through rules-based algorithms or technology platforms is appealing, as it not only reduces the overhead required to execute on optimization, but also tends to produce better results."

Julie Batten
VP strategy, media,
Klick Health

2. Use a data-driven approach to optimization

Marketers are investing a lot of time and money on visitor acquisition, but little on helping that visitor through the conversion funnel. Simply tossing customers into the queue through acquisition efforts is not enough to scale profitability.

Select the top five optimization strategies you intend to employ within the next year.



Achieving desired conversion outcomes is based on the ability to zoom in on specific tactics within the funnel for conversion optimization. Rather than evaluating customers in linear fashion, optimization requires a reprioritization through establishing outcomes that focus on attention, engagement, and commitment at each phase of the conversion process. By using a diverse set of analysis and optimization tactics, you can use a data-driven approach to conversion optimization that is influenced by predetermined brand parameters. Despite years of marketing experience and a good "gut feeling" for what works for conversions, no one will get it right every time—adding data-driven automation to optimization tactics will help accelerate success.

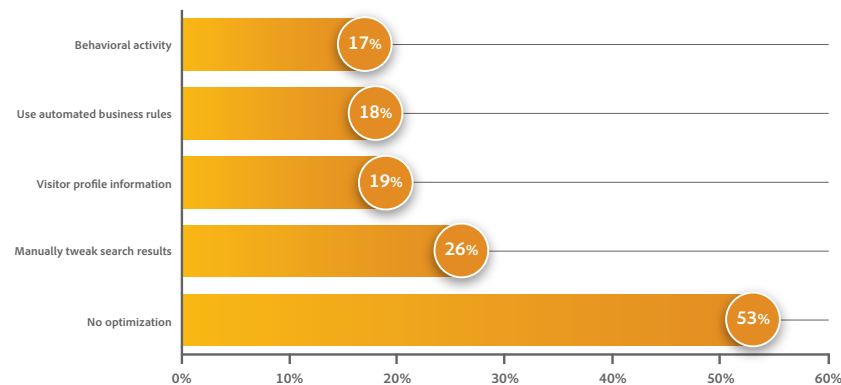
These key focus areas can help organizations embrace optimization: content findability, automated recommendations and cross-sells, testing, and personalization.

Content findability

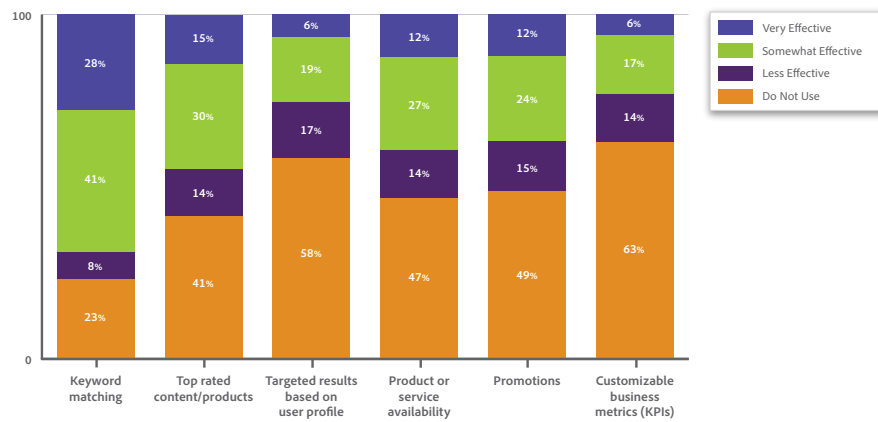
Site search is about more than a generic search box that helps point website visitors in the right general direction. Optimizing site search for efficient item or content discovery and findability is a business-critical function. It is about guiding visitors to exactly what they want to find, enhancing overall navigation, and providing an efficient path for users to meet their goals. It encourages visitors to regularly use search as an engagement mechanism with the business, creating a dialog of expressed needs and intentions. Smart digital marketers capture and leverage this explicit intent to present custom, personalized, relevant content.

Yet, the survey found that 53% of digital marketers do not optimize search results in any fashion—and if they do, 26% of respondents report that it is more likely a manual process.

How do you optimize the relevance of your on-site search results?



How effectively does your on-site search display results based on the following?



The importance of optimized site search for both websites and mobile sites is well documented. According to industry experts:

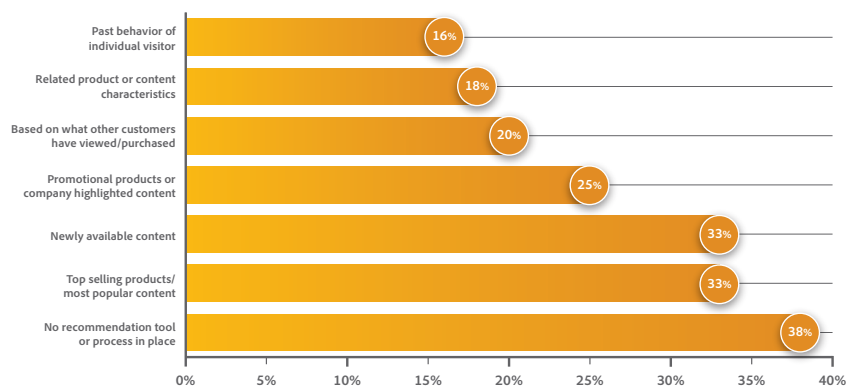
- 34% of site visitors use site search as the first activity on a site, and these numbers are even higher for mobile sites.⁴
- 68% of web users use search as their primary form of navigation.⁴
- 43% of site search users give up after the first try.⁵

Converting only a small percentage of site visitors who leave your website could translate into significant conversion results. Additionally, today's digital merchandisers need to control how products, services, and content are presented to visitors in order to meet business goals. Top-converting or higher margin items, for instance, need to be placed in prominent positions. Analyzing search queries is also important to identify and respond to consumer trends.

Automated recommendations and cross-sells

Consumers embrace recommendations because they deliver value that is meaningful and practical. According to Forrester, 62% of site visitors find them useful in meeting their needs.⁶ Yet, the Adobe 2012 Digital Marketing Optimization Survey highlights that 38% of digital marketers do not provide any content or product recommendations; if they do, their primary focus is on providing the most popular and newly available content for their products.

Upon which criteria are your product or content recommendations based?



It is important to have the ability to use all the criteria from the survey to provide the most relevant recommendations, depending on the needs of your business at a given stage in the funnel. An automated recommendations engine can place similar or alternative items and content on the relevant page, and recommend popular complementary items towards the end of funnel to encourage visitors to continue shopping—thereby increasing conversion rates.

⁴ Source: Forrester Research

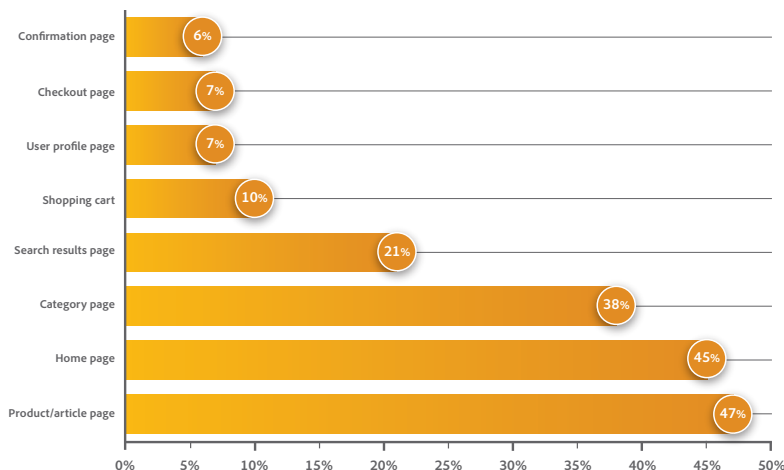
⁵ Source: N Norman Group

⁶ Forrester. 2010. What You Need To Know About Third-Party Recommendation Engines.

"From awareness through conversion and then to loyalty, testing is an essential element to success. There are multiple paths a user can take to conversion—so from first impression to last click, testing is an essential element to a successful marketing campaign."

Jeff Lerner,
VP, digital media
Prime Visibility

Where on your site are you displaying product/content recommendations?

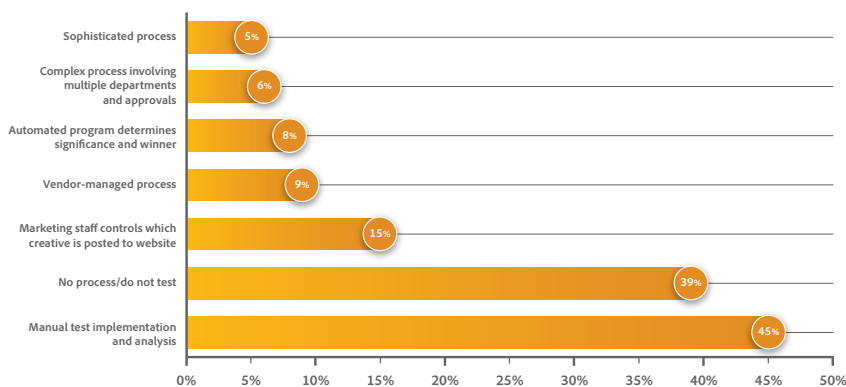


In addition to increasing visitor engagement, automated recommendation solutions also can help companies reduce costs. Instead of integrating cross-sells and upsells through cumbersome manual processes — often time-consuming, hastily assigned, and prone to error — Forrester reports that companies who implemented an automated recommendation solution were able to present more comprehensive and consistent site recommendations. This allows their marketers to optimize other site areas that had been previously neglected.⁷

Testing through the funnel

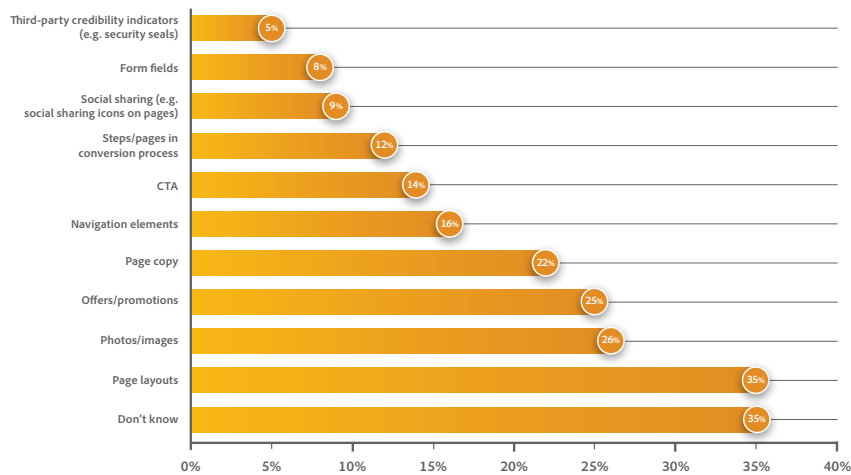
Testing consumer engagement is critical to optimization, yet more than half (52%) of survey respondents say that testing is not a priority at their company, with only 10% of respondents indicating that testing has been adopted as a form of decision making across their organization worldwide. Moreover, testing—if implemented at all—is done manually, and centers on landing pages (41%) and the home page (33%).

How would you describe your testing process?



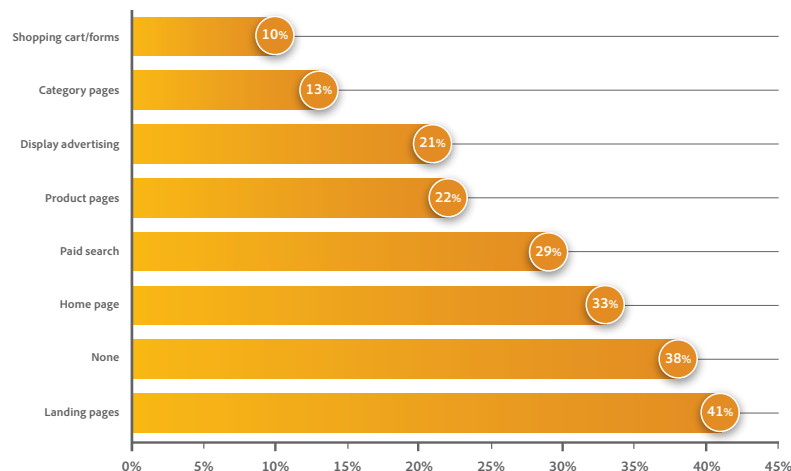
⁷ Forrester. 2010. What you need to know about third-party recommendation engines.

Choose the top three test variables that you have found are most effective at increasing conversion rates?



While focusing on optimization opportunities on the first-page experience is a great method to offset the first hurdle at the top of the funnel, what happens to the visitor after that? Ideally, marketers should approach testing with a return on investment (ROI) mindset, and businesses should test all surveyed areas. With this approach, they will attain immediate improvements and establish testing as a relevant tool for the organization.

In which areas are you conducting online tests?



Testing all the way through the funnel for conversion paths and points of decision is an important tactic for any successful campaign. It allows marketers to rate the performance of their messaging, content, and user experience in order to tailor and optimize their online environments to distinct visitor segments. The larger your test audience is, the more test data you will receive, and your test results will be more accurate. The testing process is also iterative, with no prescribed end. Because environmental and behavioral factors change over time, it's important to test and fine-tune visitor experiences on a regular basis, and identify the criteria that have a direct causal link to the desired conversion behavior and those metrics that only indicate correlation.⁸

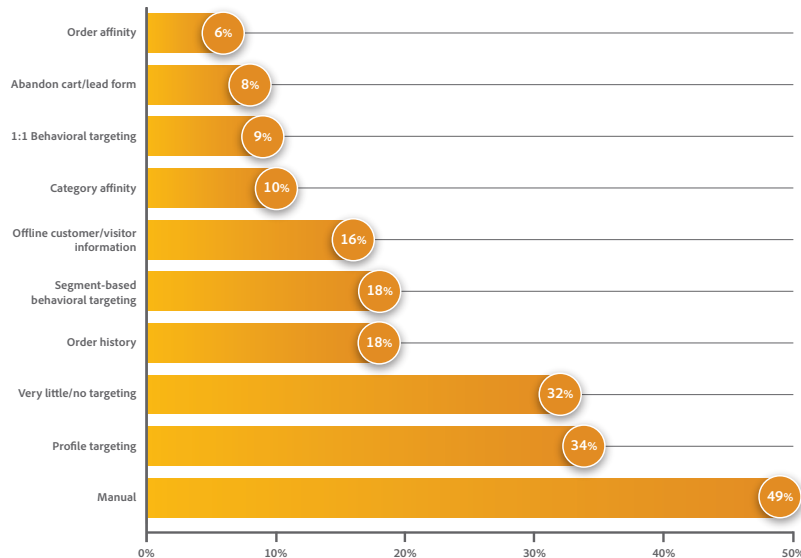
Testing can also range in complexity. A/B testing, requiring fewer test subjects, can provide results at a higher conceptual level. MVT, requiring larger volumes of test subjects, can provide more detailed results by comparing different combinations or "recipes" of elements. The ultimate, ongoing goal of testing is for marketers to determine the most engaging content and experiences based on different classifications or segments of their visitors at any given time. Automated testing helps to further increase marketing investment returns by reducing the time and effort needed to streamline the implementation, analysis, and optimization of the tests. This allows marketers to focus more on revenue-generating areas and less on time-intensive testing processes.

⁸ Contributing marketing expert Rob Graham, Chief Creative Technologist, Trainingcraft

Personalization

Personalization enables marketers to enhance the relevance and efficiency of new and repeat visitor experiences, presenting a real opportunity to increase conversion by targeting content based on implicit and explicit data already being collected. The more personalized a consumer experience, the more engaging. Yet very few companies are leveraging the power of data and technology to deliver a more relevant customer experience. Less than one-third (32%) of survey respondents said their current targeting method involved very little to no targeting. Similar to testing, 49% of respondents who do implement targeting use a manual process. Most commonly, targeting is based on a visitor's profile.

How would you describe your current targeting method?



As the digital landscape continues to evolve, increasing the ways a consumer can interact with a business, visitors expect to be presented with engaging content that is relevant to them. Lauren Freedman, president of a niche e-commerce consultancy, the e-tailing group, points out in *Prioritizing Personalization for Growth*, personalization is no longer optional, and customers are embracing personalization attempts through subsequent browse and consumption behavior. At a minimum, customers expect to be delivered targeted content and product offerings based on their past behavior. Ideally, they want to be treated as individuals with unique customer tastes and behaviors across channels that are factored into the mix.⁹

You can create the most relevant experience by leveraging expressed and implied information about an individual's intent and interest that continues to evolve throughout a customer's journey. Conversion gains accelerate as marketers' targeting efforts progress through a graduated scale from segment-based targeting to automated, one-to-one personalization facilitated by technology. Taking a data-driven approach to personalization helps to ensure that businesses are meeting customers' expectations with the right service level. Additionally, combining testing with targeting for personalization can produce great gains through small and incremental improvements.

Most websites are designed to be relevant for a majority audience, but they are largely irrelevant to the individual visitor. Personalization technology enables marketers to understand the motivations and different interests of their audiences so that they can serve up the most relevant content and offers. Using dynamic content provides real-time assembly of the perfect creative asset combination based on observed on-site and off-site behaviors, ensuring that you get the right message to the right person, at the right time—increasing user engagement and ultimately conversion.

Rob Graham, ClickZ contributing expert and Chief Creative Technologist at Trainingcraft, advises that employing personalization to start a meaningful "conversation" with consumers can be a huge boost to a campaign's success. If marketers can create a correlation between that meaning and emotional ownership of an offer, they are well on their way to creating a meaningful branding or conversion point. For instance, returning consumers convert at higher rates when presented with targeted content that takes into account past purchases or browsing history. However, if the personalization is gimmicky or forced, then it can also disconnect those same consumers from the process.

⁹ Freedman, Lauren. 2011. *Prioritizing Personalization for Growth*. the e-tailing group.

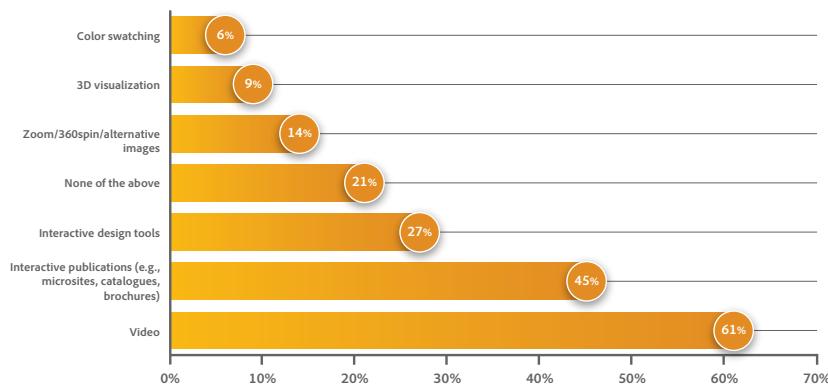
"More and more, visitors want to see and hear—not read—content that entertains, engages, and empowers. Companies who don't have or who aren't focused on developing rich media assets now will pay the consequences down the road through reduced customer engagement."

Julie Batten,
VP strategy, media
Klick Health

3. Optimize conversion with video

Content is, and always will be, king—but video marketing content is in high demand. In 2000, online video was a new entry online: demand and volume was minimal, and standards for video quality were accordingly low. But by 2011, consumption of online video was at an all-time high, with consumers making it the medium of choice for entertainment, information, and connecting with family and friends.

What are the top three rich media features you will be focusing on this year?



Needless to say, this behavioral change highlights a paradigm shift in online video, and businesses are investing in tools and resources to deliver high-quality video content. Recent research supports this:

- Gartner research showed that online video was a top-ten strategic technology trend for marketers in 2011.¹⁰
- The volume of video ads streamed across the Internet increased 20% over the previous year to 7.1 billion in December 2011.¹¹
- A recent comScore study demonstrated that both professionally produced and user-generated content (UGC) videos drive high levels of engagement and conversion, and are powerful tools when used together. Professionally produced content provided a 24.7 point lift in Share of Choice for a featured product and a 16 point lift for the brand's total line, whereas UGC videos provided a 18.7 point lift in Share of Choice for a featured product and a 10-point lift for the brand's total line.¹²

The Adobe 2012 Digital Marketing Optimization Survey reflects this interest in video marketing, with 61% of respondents this year focusing on video as an effective marketing strategy for conversion. Product or service demos, interactive promotional videos, educational videos, and entertaining user-generated videos elevate an online experience to new levels of engagements and conversion. In fact, video's reach extends through social networking channels and search engines. Video should be highlighted in search results. Jupiter Research states in its *Video and Image Optimization* report that a page with video is 50 times more likely to appear in the first Google search engine results page.

Site-wide video implementation is an increasingly important tool in the digital experience arsenal. The best videos to display during a first-time video implementation on a site are videos of flagship products and services, as well as promotional video ads and TV commercials. They should be succinct yet informative.

As engagement increases sitewide and the business expands, a site's visitors can be introduced to additional demonstrations and features through videos. Some businesses, like those specializing in automotive or travel/hospitality, succeed with informative videos displayed in a distinct content section that is prominently featured on the site. This section can include videos, photos, and articles. Large video libraries are best consolidated into a central video gallery or TV microsite.

Clearly communicated video-player options also increase online engagement. Video players must be optimized with clear calls to action that indicate "play," "click to view," and "click to play" buttons. Video content in fact should be instantly identifiable as video. Additionally, the larger the size of the video player, the more positive the user experience. Larger video players are associated with increased view-through rates, indicating better engagement.

¹⁰ Gartner, 2010. Top 10 Strategic Technology Trends for 2011.

¹¹ comScore. 2012. 2012 U.S. Digital Future in Focus Report.

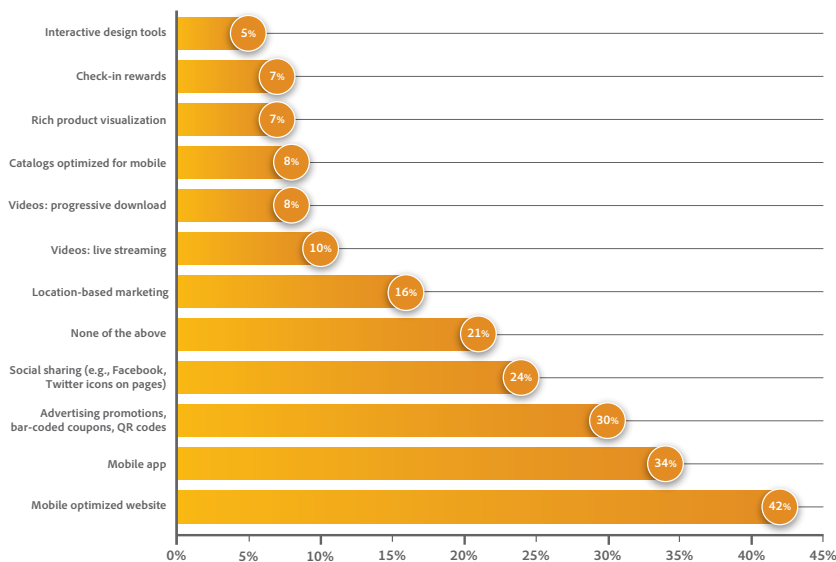
¹² comScore. 2012. The Synergy of User Generated and Professional Video Content.

Tapping into tablets
Consumers who visit retail websites using tablet devices are more valuable online customers than those who visit websites using smartphones or traditional desktop/laptop computers.

4. Optimize all mobile channels

The explosion of smartphone and tablet devices has allowed consumers to connect with brands in more ways than one—and they expect an efficient engagement no matter what device they are on. Consumption continues to accelerate and is expected to continue, with mobile device user penetration (6.8% CAGR) to continue growth through 2015. Yet, despite this proliferation of mobile devices, the mobile marketing channel is still emerging. Our survey highlights two top conversion optimization strategies for mobile—mobile optimized websites and mobile apps.

What are the top three mobile strategies and tactics you will be focusing on this year?



Device type matters

A recent Adobe Digital Index report analyzed 16.2 billion visits to the websites of more than 150 retailers in 2011, revealing that device type does indeed influence the outcome of those visits—both in terms of amount spent and likelihood of making a purchase. Tablet users appear to be leading the charge. Consumers who visit retail websites using tablet devices spend more than those who use smartphones or desktop/laptop computers. They are also three times as likely to make a purchase than smartphone visitors.

For example:

- Tablet visitors spent over 50% more per purchase than visitors who used smartphones, and over 20% more than visitors who used desktop/laptop computers.
- The tablet visitor segment is rapidly growing. Although these visitors generate a small portion of total website visits, their *share* of total visits increased from 1% to 4% in just 12 months.

Tablet visitors may spend more because of their demographics, the nature of the tablet user experience, and the environment in which tablet visitors shop online.¹³

Clearly, retailers can no longer afford a “one-size-fits-all” approach to mobile optimization. This data shows that tablet visitors and smartphone visitors are distinct customer segments. Delivering experiences and promotions that are optimized and relevant to tablet visitors should generate higher ROI.

However, the strength of the tablet segment doesn’t suggest that businesses should stop catering to all devices types. Shopping on mobile sites overall is gaining adoption, with 29% of all respondents spending at least 3 hours each week shopping on mobile sites, and 24% spending at least 3 hours per week using mobile shopping apps. Optimizing the experience for these users requires an understanding of their needs and behavior, as a custom experience should reflect their preferences and demographics.

¹³ Adobe Digital Index. 2012. The Impact of Tablet Visitors on Retail Websites.

For example:

- Visitors who shop the most are in 30–49 age group.
- Over two-thirds (67%) prefer mobile sites to mobile apps.
- iPhone and iPad users are the most engaged.
- BlackBerry users lack access to mobile apps (compared with iPad, iPhone, and Android™ users), so mobile-optimized sites are needed to increase BlackBerry user engagement.

If you have resources to create only one app or one version of your mobile website, determine which device your customers use the most and optimize for that device.

As businesses develop mobile sites, general optimization best practices still apply across all platforms, such as:

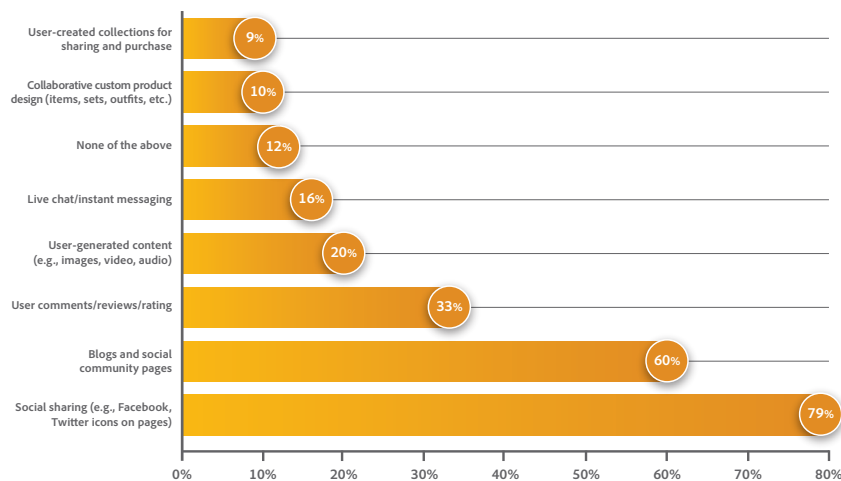
- Offer an optimized mobile site search, research, and recommendations.
- Test the mobile experience.
- Provide a relevant experience—as a minimum designing for the specific device; more advanced tactics involve personalizing the experience for the user.
- Use rich media optimized for the screen size and device type.
- Integrate mobile marketing as part of your overall marketing strategy.

5. Optimize social engagement

Marketers have always understood the power of word of mouth to influence people, and the innovations in social media technologies have opened up the opportunity to leverage that power in new ways. Our survey reflects that 70% of respondents are focusing on social sharing as a top effective social strategy in 2012, followed by blogs/community sites and user comments/reviews—and with good reason: social sharing can have a huge impact. A recent comScore study demonstrated that the top 20% of users who spend the most time on Facebook spent \$67 per quarter compared to \$27 by nonusers.¹⁴

A recent Adobe Digital Index report on social networks noted that by March 2012, Facebook had over 845 million users, Twitter surpassed the 100 million member mark, and Pinterest became one of the top 10 social media sites in less than a year. This explosion in social engagement drives marketers' growing enthusiasm for social media: 73% of respondents to a 2011 Chief Marketer survey said they used social media in marketing campaigns, and 15% intended to implement them in 2012.¹⁵

What are the top three social media strategies and tactics you will be focusing on this year?



One of the most powerful and easiest ways to enable users to share on Facebook is by implementing the Facebook Like button on your website. Leveraging the Like button and Facebook's widespread distribution channels can help companies build lasting connections with existing customers and drive valuable new referral traffic to your website. The potential benefits of implementing and optimizing the Like button can result in significant, measurable returns.

¹⁴ comScore, State of the US Online Retail Economy. May 2010

¹⁵ Adobe Digital Index. 2012. Why marketers aren't giving social the credit it deserves.

The best way to engage with consumers on social networks is to give visitors a voice to participate and interact with the business. It's important, however, to have moderation and measurement tools in place to help ensure that the conversations are making a positive impact on your business.

Summary

Conversion optimization is a strategic tool that empowers today's digital marketers to monetize significant consumer engagement and marketing investment opportunities. By taking action on rich data and content with small yet concentrated efforts to enhance the customer experience throughout the funnel, businesses can make an impact to the top- and bottom-line revenues.

Key takeaways

The key takeaways for achieving optimum conversion are:

- Achieve double-digit lifts in conversion by prioritizing optimization across your organization as a strategic process.
- Follow a data-driven approach to engagement and conversion that includes optimized site search, automated recommendations, testing, and personalization, balancing acquisition and optimization efforts to capitalize on missed opportunities along the funnel.
- Provide visitors with relevant, professionally produced and UGC video to entertain, engage, and empower.
- Optimize all mobile channels—especially tablets—to generate a higher ROI by delivering device-appropriate, relevant experiences and promotions.
- Give consumers a participatory voice on social networks, but use moderation and measurement tools to guide conversations toward a positive impact for your business.

About Adobe

Whether it's a smartphone or tablet app, a game, a video, a digital magazine, a website, or an online experience, chances are that it was touched by Adobe technology. Adobe's tools and services enable its customers to create groundbreaking digital content, deploy it across media and devices, and then continually measure and optimize it based on user data. By providing complete solutions that combine digital media creation with data-driven marketing, Adobe helps businesses improve their communications, strengthen their brands, and ultimately achieve greater business success. Adobe's content authoring solutions lead the industry, enabling its visitors to more effectively produce, distribute, and monetize digital content. Adobe also delivers the most innovative solutions for optimizing marketing campaigns and maximizing return on every marketing dollar.

For full report

For a complete report of Adobe 2012 Digital Marketing Optimization Survey, [click here](#).

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