

THE RIGHT TOOLS

WEB SITES BOLSTER THEIR CONVERSION RATES
WITH AN EASILY IMPLEMENTED TESTING APPROACH

IF YOU'RE A TRADITIONAL retailer, the kind with actual stores or boutiques, it's fairly easy to see what shoppers prefer and to react accordingly. Slap some fresh paint on the walls, move some display counters around, alter the lighting, fluff the merchandise, fiddle with the prices, whatever it takes to please the customer.

It's considerably different for CSN Stores.

Launched six years ago to sell television stands and other furniture to hold electronic devices, the Boston-based company is an entirely Internet-based retailer with 260 online outlets. The firm sells just about every kind of furniture, houseware and home-improvement product to individual and commercial clients.

In 2007, *Inc.* magazine ranked CSN 147th on its list of the 500 fastest-growing companies in the United States—the privately-held company has been averaging annual growth in the 50% to 70% range—and is the fourth

fastest-growing retailer on the list. But to sustain the momentum, CSN understands it has to continually monitor its mix of products, how they are marketed online and the responses of customers to their presentation.

"Not only do we have no bricks-and-mortar [presence], but we offer merchandise in a myriad of categories," says Eric Klose, CSN's vice president of marketing. "And we enter new categories consistently. We don't have stores, but we're selling real products to real people. We wanted to know who they are and what works for them. We wanted to connect."

Since it's entirely Web-centric, CSN had no shortage of technical staffers, but their labors were directed at keeping those 260 Internet sites humming along. The company had some basic internal methods of tracking sales and site visits, but Klose says they can only do so much, and that the information they gathered didn't directly deliver any insight about

customer preferences. CSN wanted to find out why some of its five million plus monthly visitors would convert into buyers and others wouldn't—and solve the problem.

"We're based in Boston and there's a certain homogeneity to our company," he explains. "[Our staff is] not representative of our customer base. We looked into survey groups and focus groups, but again, there's a localization issue. And it would have been very unwieldy to do [focus groups] on a national level."

Another Boston-based company offered a solution that had proven successful with other Web retailers, including Cabela's and Overstock.com.

SiteSpect Inc. is a four-year-old firm offering nonintrusive monitoring and testing of Web site usage. A client can run a multitude of tests—or a simple A/B comparison—without altering any of its Internet products or involving its IT department, while producing measurable results within hours.

Part of SiteSpect's allure is it's a program that forces marketers to confront basic questions.

"Most companies have measurement systems and Web analytic systems in place, where they are getting some data," says Eric Hansen, CEO and president of SiteSpect. "The fun part, what a scientist would call a hypothesis, is asking the questions, 'What would happen if you did this?' What would happen if you change the navigation on your home page, or change the text, or maybe eliminate some offers so they don't cannibalize others? One thing we built into SiteSpect software is that it forces you to answer these questions."

Among its earliest clients is Skinner Inc., a Boston-based online auction house specializing in antiques and fine art. Like CSN, the company knew it was getting a lot of Web site visits but was disappointed with its conversion rate.

"The basic rule is that if you can make (a Web site) faster, better and easier to use, you'll convert more."

The marketing team could devise and run its own tests without infringing on the time or priorities of the tech team.



explains Kim Ann King, CMO of SiteSpect. “People by nature are overcomplicators. I have not yet met a Web designer who did not want to build big bells and whistles, but that’s not always necessary.”

SiteSpect clients can run tests to measure reactions to changes in site content, search functionality and other features and learn what parts of their sites are generating higher response rates. The tests can be applied to something as simple as text fonts and colors or to overall product offerings.

Indeed, SiteSpect’s testing found that by increasing the photo of a Skinner auction item from 250 pixels to 350 pixels—basically increasing the size of the illustration by about 40%—the number of bids increased by 429%. To grow the number of visitors

signing up for the company’s newsletter, SiteSpect moved the “click” button to a more prominent place on the site and increased its size. Online registration increased by a whopping 590%.

Similar rounds of multivariate and A/B testing models were also put to work for CSN. One of the things CSN found from the collected data was a problem with the graphics on its Web sites, which were relatively small. When the company enlarged the pictures of its product offerings, shoppers lingered on the page longer and wound up buying more products. Meanwhile, when CSN experimented with some pricing changes, it learned that offering price guarantees of up to 120% had virtually no impact on customers.

“You have to find the right levers to get people to take action,” King notes. “There are different rules for different industries. What works for e-commerce providers is different from most content providers. You need to make things simple, easy to find.”

CSN won't reveal specific changes it took based on data supplied by SiteSpect, citing competitive pressures from other online retailers. But it attributes 7% of its 2007 growth to the data generated by SiteSpect and the changes it made as a result. A comparison of current CSN Web pages with those from before it tapped the firm for help shows a cleaner presentation with larger illustrations and less advertising copy. Just as with the auction house Skinner Inc., the simple changes yielded impressive bottom line results.

And while these changes seem almost matter-of-fact, marketers can't afford to assume anything in a hypercompetitive, ROI-driven marketplace. Even the most basic premises must be proven with hard data.

CSN's Klose says the easy availability of accurate data about its Web sites is a powerful tool. “It's just such robust reporting,” he says. “That's the killer component to us.”

But there are a lot of optimizing tools available with robust reporting platforms. What made SiteSpect stand out for CSN was that the privately held company's proprietary technology was a completely turnkey operation that spared CSN's already busy IT team any kind of implementation or maintenance issues. Once installed, the marketing team could devise and run its own tests without infringing on the time or priorities of the tech team because it doesn't use page-tagging, Java script or site developers that require its assistance.

“We were looking for a tool that enabled us to do what we needed to do and wound up with a list of companies,” Klose says. “What stuck out was the degree to which SiteSpect let us bypass our technology team.”

“We come at this not so much from the perspective of thinking like marketers, but rather as site architects,” Hansen explains. “And because of that thinking, one of the core elements of the product is that we make it easy to run tests on sites that are quite complex.”

“It's always a balancing act to deliver the right content to the marketing and communications guys, but also to satisfy the technical and IT departments,” Hansen continues. “We're comfortable in that environment.” ■