

IN KNOW

In The Know Justin Christianson

Buckley Barlow: Hello, hello, and welcome to In The Know. This podcast is dedicated to all those listeners who want and need the best strategic and tactical advice on engineering growth. And for season 2, it's all about digital commerce. All right, buckle up. We'll see you on the inside.

Welcome, insiders. Buckley here on In The Know, the Digital Commerce Series. And I'm excited about the show today. On today's episode, I'm excited to chat with my guest, Justin Christianson, co-founder and president of Conversion Fanatics. And I love that name, by the way. Because I think if you're going to be really good at optimizing something, you pretty much have to be fanatical about it, so great name. Justin is a best-selling author of *Conversion Fanatic: How to Double Your Customer Sales and Profits with A/B Testing*.

And how here's the deal, we are going to put Justin to the test today and within 20 to 25 minutes, because this podcast is short, my hope is that he's going to be able to dive into what's working in terms of converting prospects into customers through data-driven testing. And speaking of data science, before we jump in, make sure to head over to beintheknow.co to check out our new site layout and the curated learning paths and resources that we have put together to help anyone looking to grow their business. And in particular, I'll more than likely put this very episode over on the data science learning path.

So if you feel like there's something I've missed or you have content that you think would add major value within those categories, simply drop me a line and we'll see how we can get at it. So again, here with us today, Justin. Justin, thanks so much for coming on today.

Justin Christianson: Thanks, Buckley, for having me. I'm glad to be here.

Buckley Barlow: Well, alright, Justin. I'm excited to just dive in and get people in the know when it comes to actual advice for increasing conversion rates

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through data. But before we dive in, would you catch us up to speed on your role, what you do day to day?

Justin Christianson: Well, I am the acting president of the company, which basically we kind of work hand in hand, my business partner and myself, who's the acting CEO. And, for the most part, I am working day to day just simply on business development, working on our processes, and helping our team become better. And our kind of motto at the company is "Continuous Improvement Daily," so we just try to beat our high score from yesterday.

Buckley Barlow: And what kind of clients are you working with?

Justin Christianson: Usually B to C. Anything from about \$5 million in revenue, all the way up to \$200 million in revenue.

Buckley Barlow: B to C, that's great. Well, Justin, as you know, I try to keep this podcast short and to the point and actionable. So I'm going to assume that most people listening are somewhat familiar with the term "conversation optimization," which in layman's terms is trying to find out through all sorts of experimental methods, particularly through data-driven insights, the best ways or systems to increase sign-ups, sales, or whatever metric you want to improve on your web pages. Is that a fair enough statement?

Justin Christianson: Yeah, that's pretty much like – I couldn't have explained it better myself.

Buckley Barlow: So first things first, Justin. Let's lay a quick primer down for those listening. What are the key major elements that a company needs to have in place to be able to benefit from a data-driven approach to growing their digital commerce business? Obviously, you need data, right?

Justin Christianson: Yeah, well that's the biggest thing. And it's kind of scary is the fact that even though we are in a heavy data-driven world right now in marketing, is the majority of companies aren't paying attention to it, and they're gathering some kind of metrics about their visitors on their site, but they're not really using it and leveraging it to, in turn, drive growth. So some of the key things that I really find in place is just make sure you are paying attention to every single point of touch with your visitors and gathering intel on that. And it could be used with a wide variety of tools.

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It doesn't matter through your CRM, through Google Analytics, through outside analytics, through heat maps, through click maps, through other metric tracking, you know, using things like Mixpanel or other actually conversion-driven data or, you know, down to your testing platform, such as Optimizely, or even up to like Adobe Suite.

Buckley Barlow: And so what else? Other than the data and the tools, what else are you seeing that – when you go and work with a client and they say, “Hey, Justin, we want to be able to convert more.” Whether it's converting more opt-ins or more revenue, for example. I think ultimately, all you care about is increasing sales, right? More revenue. That's what most companies want for the most part. What other things need to be in place to really make that happen?

Justin Christianson: Well, I find that a lot of companies – I mean, this is partly the reason why my company exists, is they're so busy working on their company and they're so close to their product that they overlook a lot of the other intricate, little elements within their organization and within their marketing plan for quick areas of growth and highest areas of leverage. So having optimization as part of their company DNA, and really striving each day to be better and understand their visitors better, and deliver their product or service and their marketing message in a better way that better connects with their audience.

So they can in turn increase that average order value and increase that revenue and, in turn, actually increase profits.

Buckley Barlow: Yeah, I think you hit on a great point there. And that's almost along the lines of mindset, right? Having a growth mindset or a data-driven mindset that everything that can be measured should be measured, right?

Justin Christianson: Yeah, it's really actually pretty shocking. Even large companies – you know, we consulted with one not too terribly long ago that had about a \$75 million advertising budget, and they really didn't – they're weren't really testing, they really didn't know, they just kind of had a ballpark estimate of what their conversion numbers were. And I'm like, how are you guys spending that much money on advertising? You got to be wasting so much money. And it turned out that they were.

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Buckley Barlow: Yeah, that's interesting. Well, you know, I went to lunch a few weeks back with a good friend who happens to be one of the higher ups at Adobe in their analytics division and we were talking about this question I'm going to ask you. Most people know that data drives insights, right? Even if it's a large company. But the hard part is, knowing how to make big data really meaningful for growth. And so how do you and your team go about finding those holes or those opportunities in a marketing funnel through data? How do you do it?

Justin Christianson: So we really dive into the metrics in figuring out what's their cost per acquisition, all the way down to what's their average order value? Then we look at where the visitor flow is going to understand what pages they're visiting? Where are they falling off in the plan? We leverage heat maps and click maps to understand how they're behaving on the site, what they're paying attention to, what they're not paying attention to. And then we kind of boil that down, couple it up with some competitive analysis.

So we'll go out and look and see what others in the marketplace are advertising, what pages they're leveraging so we can find leverage points to formulate kind of a test hypothesis and an area where we can kind of plug those holes. So we might find out that a company might have a clear path, but they get maybe 15 percent of people add something to their cart and then 5 percent view, but only 3 percent check out. So there we've got a clear hole. You've got people adding product to cart, but they're not completing the order.

So what's the friction in that process that we have to try to alleviate or remove a step or maybe add some clarity or just something to push them over the edge to get a higher percentage of those people to actually take action.

Buckley Barlow: Now, do you spend a lot of your time at the bottom of the funnel during the checkout process? Or do you spend much time at the top of the funnel through maybe working with SEO and inbound marketing? Are you a full-stack funnel guy?

Justin Christianson: Yeah, we kind of take a holistic approach to everything. So we look at everything as a whole. So maybe traffic's the problem. So we'll make sure we analyze there and do an audit on their traffic campaigns to make sure they're getting quality clicks and their

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bidding structure is effective. And then we'll look at everything as a whole from the actual checkout process, the signup process, whatever that business's key performance indicator might be that they're looking to grow. We'll look at that and then we'll find the biggest leverage points first and then we kind of work backwards from there.

Sometimes it starts at the top; sometimes it's all the way at the bottom, even as far as just the checkout page or the registration page.

Buckley Barlow: So I think what would be really helpful is, knowing a case study on how you go about looking at a leverage point. Can you give us one that would be really insightful?

Justin Christianson: Yeah, so we have an e-commerce store that was selling women's clothing that was doing significant volumes. And through our data analysis, we found out that their mobile checkouts were actually lacking, for better terms. And we went in through the data and found out they were having trouble – there were some friction points and we had to expand some of the options, like the size, the color. And we expanded all of those options on mobile so it reduced a bunch of click points. And initially we saw a pretty big improvement on the test upwards of 60 percent, but as we gathered more data on the test, it tapered off and ended up being a losing variation by a slight margin.

Buckley Barlow: Oh, wow. That happens a lot, doesn't it? Where you think, wow, I've got a winner, and then all of a sudden it turns out to be a loser.

Justin Christianson: Yeah, so instead of chalking that up to being a loser and just moving on to something else, we took that as a learning opportunity, because we try to learn from every single test. We took that and then revised that test based on the data and ended up with a 36 percent winner.

Buckley Barlow: That's great. As far as continued results on that variation, how did you go about kind of tweaking that at that point once you had those results and how long did they last?

Justin Christianson: The results are still sticking right now. This was a couple months ago that we – after we revised it.

Buckley Barlow: Perfect. So do you go back in and continue to try to improve and tweak or do you say hey, we've got a good winner here. We're

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getting awesome conversion rates. Let's just kind of ride this out for a little bit. What do you typically see there?

Justin Christianson: We're always looking for better. I'm kind of on the motto. I've been doing this 13-plus years, I think coming on 14 years. And we always – I've yet to see 100 percent conversion at scale, so everyday I'm trying to hit it. And I think in optimization, if you just kind of let it ride, is an area where you can – and your conversions and your overall results will end up slipping because the market changes so dramatically and so rapidly in pretty much any market, especially in the digital world. So you have to constantly be evolving and constantly changing so you can keep and get that competitive advantage in the marketplace.

Because chances are, your competitors aren't out there optimizing every single day trying to make their experience better.

Buckley Barlow: Yeah, I think that's a great point. One of the things that I've always said is that our tastes and preferences change so rapidly today. It's like we've got ADD, but we have so many choices today and things change so quickly, if you're not keeping up with those trends in consumer tastes and preferences, you're really behind. Plus, you've got those competitors nipping at your heels, so I think you nailed it right on the head. Now, data science, as far as a topic, is really hot right now.

And obviously you're seeing tons of business come through your doors and you see tons of courses even popping up and people are plunking down cash to get skilled in data analysis and science in order to add more value to their organizations. Do you see that trend getting more complicated and specialized? Or do you see the marketing and product growth masses moving toward this learning trends and this skillset?

Justin Christianson: I kind of see people moving more as a whole to data. I think there's going to be some specialization in there, specifically in the big data markets, where people are – very massive companies are really getting specialized in their data because they're collecting so much more. But I also see the trend where a lot of smaller marketers and smaller companies are paying attention more. They're not getting by anymore on just putting out offers and on their name and on brand recognition. They really need to pay attention to the data.

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So I think I see a lot of people moving to really paying attention to the data that they're collecting so they can improve. And it's good for me as a business because more people are realizing that it's important.

Buckley Barlow: Well, it's interesting. You say you're working with some pretty sizeable companies. It's got to give some upstarts a sense of confidence that if they can do this right, they can really start to gain traction quickly. Do you see that often where you get a really good idea, an upstart, maybe they don't have tons of funding, tons of revenue, but they can really make a name for themselves by incorporating a data-driven approach?

Justin Christianson: Oh, absolutely. We actually had a funded startup last year that we did a bunch of work for, for a handful of months. And they came at it from kind of a branding approach, there they kind of created a new category or a new sub-category within a very massive category and they just weren't getting the traction online. They were coming at it from more of a branding perspective. And once we were able to come in and truly leverage their data, we saw massive improvements. And they ended up with a completely different checkout process, completely different website and everything changed because of the data.

And now they're actually on the upward trend of growth, rather than just struggling to get by and kind of build a brand and name for themselves early on.

Buckley Barlow: What is your favorite method of gaining traffic nowadays?

Justin Christianson: There's so many good ones, but, I mean, I just go back to the core ones. You know, you've got your Facebook content ads. Native advertising is coming back up and being more popular and the networks are really liking it. And then you can't count out Google and all of their stuff. Google, Yahoo, Bing, and the display networks, and then, of course, retargeting. That's kind of the areas we mainly focus on.

Buckley Barlow: How much inbound marketing do you deal with?

Justin Christianson: For our clients? A lot. The majority of, I'd say 75 percent of what we do is B to C, so it's very heavy paid traffic budgets, as well as even the B to B companies, that we work with, like Enterprise

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Software, as a service, for example. They're spending a lot of money on digital advertising to drive their lead gen growth and we've been very fortunate to be able to help that particular company almost – I think we've seen close to a 200 percent increase in their lead generation in the last year.

Buckley Barlow: Yeah, that's great. Not easy, not easy to do by the way. You make it sound like, hey, we're able to get this metric improved. But I know how much work goes into it. And speaking of metrics, what are your favorite maybe top two or three metrics that you like to track early on and why?

Justin Christianson: Yeah, so oftentimes people are so focused on their conversion rate, and I think conversion rate even coming from a conversion rate optimization company is kind of relative when you look at the other metrics. So, two of my favorite metrics are value of a customer or value of a lead, and the cost per acquisition. So I feel that if you can acquire a lead or a customer at an affordable rate and your average order value is kind of in sync and looking at that on a one-month, six-month, year, lifetime kind of basis, then the conversion rate becomes sort of relative in that point. It doesn't really matter.

We could have two identical companies that are selling very similar products. One can get by one percent conversion rate, where another one, maybe needs five because they have different metrics. So once you figure that out, and then you can figure out where your tipping point is, where you can be the most profitable and where the customer or that lead becomes the most profitable, then you can widen the gap by between acquisition and your order value and make the conversion rate better and then tweak those numbers to actually make you more profitable.

Buckley Barlow: That's great. Now, what about Google Analytics? I think a lot of companies have Google Analytics installed. They've got the code, but they don't know how to use it. What do you tell a business that says hey, Justin? How do I understand Google Analytics? How do I make it work for me? Is it worth my time in trying to decipher all this information to help me grow? What would you say to that?

Justin Christianson: Well, you can't beat the price.

Buckley Barlow: You can't, can you?

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Justin Christianson: No, you can't beat the price for the suite. It has its downsides, of course. But, I look at the basics. Really what it comes down to is what pages are people visiting? What's the flow? Because Google will give you the flow. And then bounce rate is an important metric to see, particularly on certain pages that you might be tracking. Time on site, if you're using video or anything like that. To help leverage, you want people to stay on site long enough to actually get your message. And then from there we break it down into leveraging their UTM parameters, their campaign IDs, so you can actually track from an e-commerce level exactly where things are coming from. From your paid traffic you can track them all the way through the funnel.

Buckley Barlow: Now, other than Google Analytics, do you have another set of tools that are just critical for you that you use every day?

Justin Christianson: Optimizely is our go-to testing platform. We're certified partners with me, so majority of our clients are on that platform. We just find pound for pound, dollar for dollar, it's the most effective for allowing us to make changes quickly and confirm our assumptions. And we use Mixpanel a lot. Crazy Egg is another one that we use a lot for heat map and click maps and more analytical data. And then we use Improvely as well for our personal stuff and on site, so we, you know, keep track of everything, who's clicking on what and where they're going.

Buckley Barlow: Awesome stuff. Now, before we launch into our final round of questions, Justin, let me take a brief moment to thank our sponsor.

Hey insiders, hope you're enjoying this episode. Today it is brought to you by audible.com. I love Audible. There's so many titles to choose from over there for your iPhone or Android. Whether it's Crush It by Gary Vaynerchuk, or Lean In, by Sheryl Sandberg. Great books over there. Today you get a free audio book download and you can go to audibletrial.com/intheknow or you can go to show notes on this particular page. Click on the big Audible graphic and it'll take you to the same place for that free audiobook download and it's a 30-day free trial, so you got to check it out. All right, let's go back to the episode.

All right, Justin, out of all the mistakes you see people doing out there, what's the biggest mistake you see companies – whether

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they're new or mature – what kind of mistakes are they making in digital commerce today that you see? The biggest ones.

Justin Christianson: There's a lot of assumptions in their marketing. So they are trusting their gut rather than trusting the data. So they assume something is going to work because maybe they saw it on another site or they saw it in another campaign instead of actually testing it out in their own environment. And we've seen just time and time again that people just assume that it's going to be better because it's new. And it's just bit so many companies that we've worked with. Even companies that say oh, we're designing a new site. And as soon as I talk to somebody that reaches out for help that says we're designing a new site, I'm like, hold on a second.

Let's not jump the gun quite just yet. Don't spend all that money redesigning the site. Let's strategically roll out a new site through optimization because I can't count how many times I've been approached this year saying oh, we launched a new site two months ago and our conversion's tanked and we're not really sure why. Well, it's because you just launched a new site and you didn't take any elements from the old site that were actually working. You just assumed because new, it's going to be better and that's probably 9 times out of 10 isn't the case.

Buckley Barlow: Fantastic. Now on the flip side, would you say that's the No. 1 tip you'd recommend to anyone trying to grow their business is to say hey, stop making assumptions, start putting a data-driven model into your business model?

Justin Christianson: Yeah, if you weren't testing, you're leaving money on the table. That's plain and simple. And I do this in a presentation. I'm actually doing it at a small business festival here in Austin in May. I'm actually doing a presentation, and my intro is that basically I'm going to drop a \$20.00 bill on the floor and let somebody find it and say see? You found \$20.00 and that's basically what testing can do for you is you just never know what's going to see that big improvement. It could be as simple as a button color change and you could see 150 percent improvement in your lead generation.

Buckley Barlow: Well, I'm sure – I wish I were in Austin. When's the date for something like that?

Justin Christianson: May 2nd.

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Buckley Barlow: May 2nd. My Dad's birthday. Happy birthday, Dad, on May 2nd. Okay, last question, Justin. If you were to hire someone right now, who would you be looking for and why? What's the most valuable skillset that Justin is looking for in conversion fanatics?

Justin Christianson: Well, we're always hiring. So, for many different positions. But right now is just people that understand optimization at a glance. So just understand what goes into an optimization plan, rather than just somebody that just kind of flies by the seat of their pants. So it's actually harder to find than I would have thought. And we've had a hard time filling that position. And especially as we grow. But somebody that just really understands. You can show them a website and they can pick out a dozen things that you would potentially need to test and then they can back that up with the data to confirm that it's actually a viable test.

Buckley Barlow: That's great. Now are you doing standup meetings, weekly standup meetings the way that growth teams do it? How do you structure your meetings?

Justin Christianson: Our meetings is – we're still a pretty virtual team. It's worked out for now. We're making plans to move everybody here into town within the next year. We're making that transition. But we are constant communication. We use Slack for our internal communications. So we're in constant communication there, and then we do a weekly meeting that's kind of going over all of the different campaigns in detail so we can a better understanding with our optimization director, so we just know where everything's at. What areas we need to focus on. Where we need to tweak our processes, and where we need to improve to make it better for our clients.

Buckley Barlow: That's great. Having worked with a lot of virtual teams, I know there's a lot of challenges there, but there's also a lot of benefits early on, so good luck in that transition. Well, it has been fantastic chatting with you, Justin. Thank you very, very much for coming on today.

Justin Christianson: Yeah, thanks, Buckley, for having me. I appreciate it.

Buckley Barlow: Now insiders, if you want to know more about Justin, you can find everything about this particular episode in our show notes and the

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links to all the tools and resources that he mentioned in this episode over at beintheknow.co/podcast. It's Season 2, digital commerce. Plus, Justin has offered a free 24-point conversion checklist to our insiders and you can find that link again, on the show notes page, or why don't you head on over to conversionfanatics.com. Either way, we really appreciate having Justin on today. And if you need help or you're stuck, reach out to Justin or his team and I'm confident that they will move you in the right direction.

Male Speaker:

We appreciate you joining us for this episode of In the Know. You can find show notes, past episodes and special giveaways for insiders at beintheknow.co. Thanks again and we'll see you next Tuesday on In the Know.

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