

## Driving smarter customer acquisition

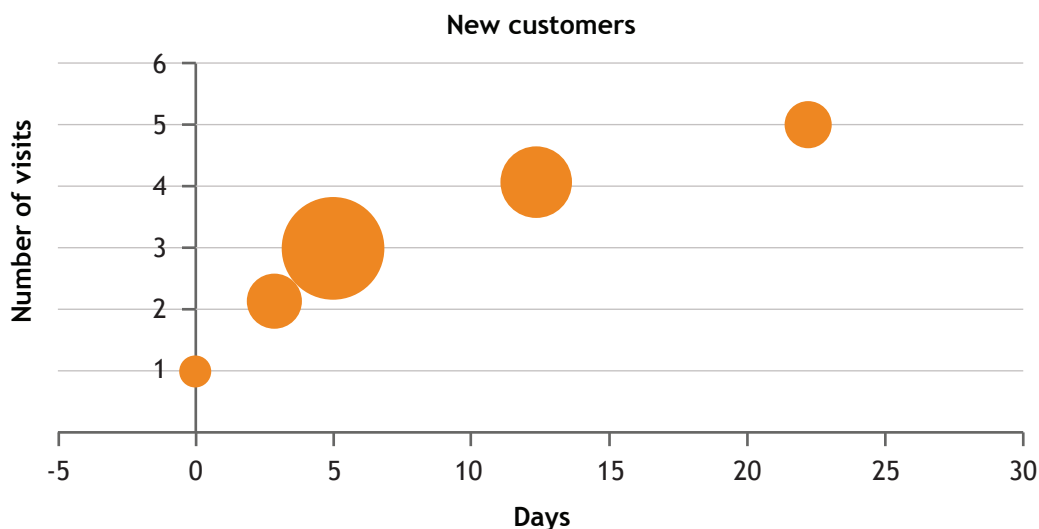


Converting prospects into customers lies at the heart of every business. Without new customers there is no growth, and yet the whole area of converting prospects into customers is not treated as a focused discipline.

We talk about “Customer Journeys” for example; a term which is frequently used to cover all visitors to a site. This type of generalisation is then exacerbated by using metrics such as conversion rate, which are not appropriate for the business issue we are tackling, the conversion of non-customers to customers.

How many times does a typical prospect have to visit your website before they decide to become a customer? One, two, four or eight? And over what period do those visits take place? One week, one month or longer? Do you really know?

The chart below shows the number of days a prospect is involved in using a web site to make a decision: the number of visits involved and the importance of each group is represented by the size of the bubble.



*The data in this case shows that the typical consideration process takes 3 - 4 visits over a period of 5 - 10 days. This behaviour is exhibited by about two thirds of all new customers during their conversion journey.*

# Logan Tod & Co

In recent engagements for major UK retail, travel and finance companies Logan Tod & Co has seen this same pattern of extended research over time repeating itself. Logan Tod & Co now believes that all businesses need to have a clearer understanding of the prospect journey over multiple visits to a website, and even across channel, if converting non-customers to customers is a key business goal.

## What does this extended research mean to your business and what should you do about it?

Broadly there are three behaviour groups that tend to exist, and every business should know which group their prospects fall into, and then factor this into their online optimisation strategy.

### 1. Rapid conversion - a few visits over a few days

Focus on the basic principles of website optimisation: create a great customer experience and focus on the critical moving parts like checkout, forms and booking process. Supplement this with attention paid to lateral techniques like the creation and/or optimisation of landing pages.

### 2. Weekly conversion - several visits over a week

As the number of visits spreads over a week, shift your focus away from pure conversion. Instead site owners should be looking at how many of those same prospects return within a typical consideration period. For example, in the context of a visitor who is likely to return several times to complete their overarching goals, an abandoned form becomes a less serious issue - instead it could even be part of the research process.

### 3. Slow conversion - four or more visits over several weeks

Prospects considering larger online purchases - like mobile phone contracts or holidays - can visit a web site four or more times before taking the leap. In this case the goal of the site owner must be to somehow intervene in the consideration process to try to persuade the prospect to commit and make the purchase. One fruitful method is to use captured personal data to drive relevant communications to the prospect, be it in the online or offline channel. For example, an email or outbound call centre contact can be triggered from a website visit.

## What should you do now?

**Insight** is the starting point; your analysts need to work out where your prospects sit in this framework. Ensure your data collection methods and analysis are up to standard before your analysts research this topic in depth.

**Drive** change through revised KPIs. Targets and reports have to be changed to reflect the new understanding of how consumers behave. Without changing the reporting and metrics to reflect the reality of the prospect research activity, changes may be misguided and harmful.

**Action** then has to be taken to optimise the process from the prospect perspective; many small changes will be required to ensure that the initial visits in the consideration process engage and that the research can be brought to a successful conclusion - the creation of a new customer.

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## About Logan Tod & Co

Logan Tod & Co is Europe's leading online performance optimisation consultancy, delivering guaranteed revenue and gross profit improvement for the ecommerce operations of leading retail and consumer brands.

Logan Tod & Co creates and implements improvement programmes by identifying and quantifying the true online constraints for businesses, which in turn accelerate growth and increase profit. These programmes are based upon the experience the team has gained, working with more than 150 clients, over the last eight years. A deep understanding of the technology needed to convert 'interest into action' enables Logan Tod & Co to deliver more sales, leads, registrations and cost savings for clients.

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