



# HICONVERSION CASE STUDY



<http://www.hiconversion.net>

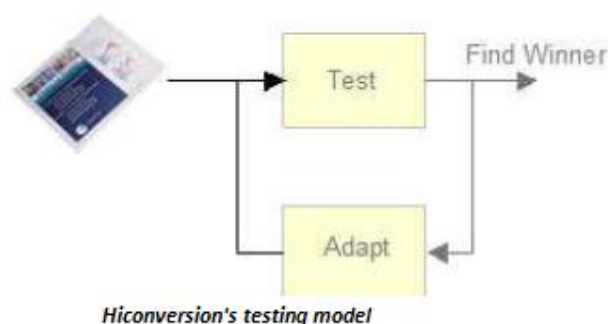
## » Background

Founded in 2006 in Boca Raton, Florida, **Hiconversion** is a sophisticated, disruptive conversion rate optimization (CRO) solution that allows e-commerce retailers to convert a higher percentage of existing web traffic to online sales or business leads. Led by serial entrepreneur Dr. Zee Aganovic, Hiconversion targets both large and small internet retailers that do not have access to the current costly CRO solutions given their lesser traffic, technical know-how, or limited budget.

Hiconversion works by making small adjustments to multiple elements of a retailer's web page layout in real time, adapting to the current behavior of website visitors. For example, a merchant might decide to test different photos and different links placed in various locations on the website's home page. Visitors will see different iterations of these photo and layout changes, and the Hiconversion software will track which iteration generates the highest conversion rates.

These incremental changes to the web page layout lead to higher conversion rates and increased sales.

## Adaptive Multivariate Testing



Competing CRO solutions are static, requiring a period of testing followed by implementation, where conversions may or may not materialize. Hiconversion's approach is self-adaptive. Hiconversion's solution is based on the principle of multivariate testing, which enables the simultaneous testing of multiple elements on a webpage. Hiconversion's statistical modeling solution evaluates the performance of a number of page combinations and predicts the overall combination that results in the most leads or sales. Furthermore, Hiconversion differs from competitors in that it works quickly, works in real time, and is self-adaptive and risk-free, as the software increases conversion rates even during the testing period.

## » Market Need

As of 2010, online advertising was a \$24 billion industry heavily dedicated to driving traffic to websites—but not dedicated to converting that traffic to sales. On average, 20% of website visitors are ready to make a purchase, but only 2% actually end up making a purchase. With such low conversion rates, e-commerce merchants must shift their focus to the ROI potential of improved website conversion rates.



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Current CRO options are costly and extensive, requiring astronomical website traffic to determine effectiveness and several months to implement, test, and analyze website changes. Hiconversion fills this void with a software solution that works with minimal traffic and adapts in real-time to customer preferences, achieving a CRO-optimized website within days, rather than weeks. For this reason, Hiconversion works well for internet retailers of any size and scope.

## » Challenge

Dr. Aganovic developed his optimization algorithm in the early 2000s but shelved the project soon after, just as the technology industry was recovering from the dot-com bust. After successfully heading up a PC migration company that sold to Microsoft in 2006, Dr. Aganovic launched Hiconversion later that year and began marketing the product in the summer of 2009.

However, Hiconversion lacked the funds to grow its distribution channel and needed capital for system support and continued software development. Furthermore, Hiconversion needed sales and marketing funds to focus on educating potential clients about its automated software. Hiconversion differs from traditional CRO options and currently strives to demonstrate to e-commerce merchants the benefits of its affordable, effective software.

## » Littlebanc and HiConversion

Dr. Aganovic connected with Michael Margolies, CEO of Littlebanc Advisors, through a mutual professional connection. Hiconversion turned to Littlebanc for its reputation for quickly securing capital for high-quality growth companies. Dr. Aganovic and Mr. Margolies decided to complete the transaction via Littlebanc Merchant. Littlebanc Merchant is a division of Littlebanc Advisors and specializes in funding small, first-rate growth companies and providing leadership and guidance to its portfolio companies.

## » Result

In just one month, Littlebanc Merchant succeeded in funding a \$1.5 million equity financing for Hiconversion. This funding was closed on November 23, 2010. Littlebanc holds two seats on the company's Board of Directors. Currently, Hiconversion is continuing to develop its core technology and promote it to both value-added resellers and e-commerce merchants. More than 100 merchants have implemented Hiconversion and seen significant increases in conversion rates—some as high as a 367% increase after testing various combinations of headline, button, and product description changes.

*"Littlebanc Merchant's additional funding will enable us to rapidly expand our channels of distribution and to enhance service infrastructure and support. We are very proud of our accomplishments and are very excited about the prospects of rapid growth that these funds will make possible."*

*--Dr. Zee Aganovic, CEO and founder of Hiconversion*