

Here's what you'll learn in Conversion School:

Lesson 1: Understand how conversion works, and how your store measures up compared to other stores like yours.

Lesson 2: See the big picture for your store, and learn the process to controlling your sales.

Lesson 3: Learn how to grow your sales every month, and practice with your conversion calculator.

Lesson 4: See the work we do to grow your sales every month

Understanding Conversion

Conversion School – Lesson One

What is Proof of Concept?

Proof of Concept means that you have evidence that people who are not your family or close friends will purchase your products for the price you are asking online.

There are several ways for you to get **Proof of Concept**

Once you have **Proof of Concept**, you can feel confident that it's possible for you to build a successful ecommerce business.

How you can get Proof of Concept:

- Make sales of your product at an in person event
- Make sales of your product on a Marketplace like Etsy or Amazon or Faire
- Make sales of your product on your website, through Marketplace or a Group

When you have **Proof of Concept**,
growing your sales is a Numbers Game

If your goal is **ONE sale a day** and your Conversion Rate is 1%
You need **100 good quality web visitors** every day

If your goal is **ONE HUNDRED sales a day** and your
Conversion Rate is 1%

You need **10,000 good quality web visitors** every day

The Formula for Sales:

Traffic (website visitors) X your Conversion Rate = **Number of Orders**

Number of Orders X your Average Order Value = **Sales**

Example:

Traffic : 3000 Conversion Rate: 2% Average Order value: \$50

$$3000 \times .02 = 60 \text{ Orders}$$

$$60 \text{ Orders} \times \$50. = \$3000$$

The #1 reason most store owners don't reach their sales goals is...

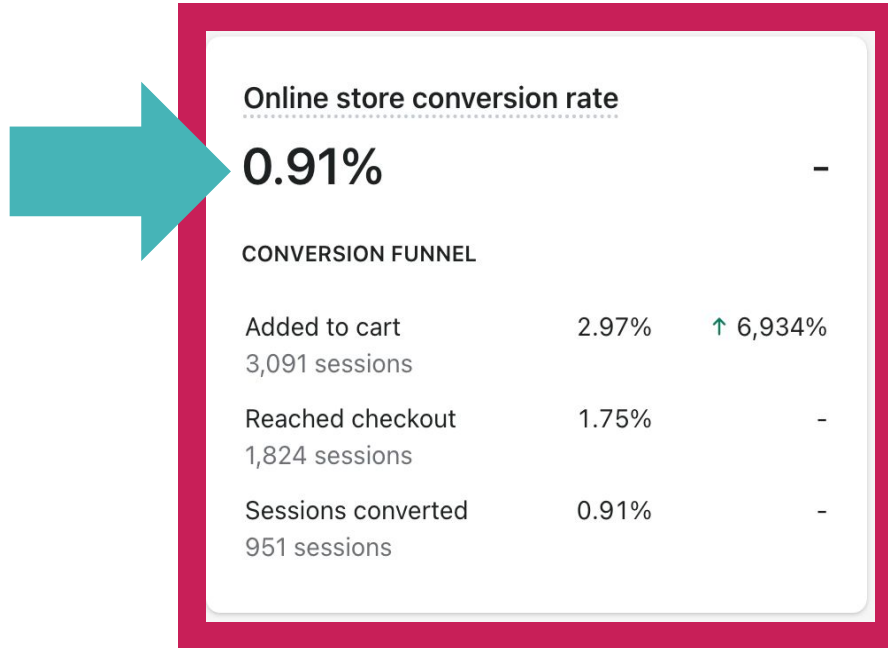
They simply don't have enough traffic!

Is your Conversion Rate normal?


Average Conversion Rates are 1% – 2%


- Stores with a high average order value (more than \$75) tend to have conversion rates of less than 1%
- New stores with fewer than 50 sales a month tend to have conversion rates of less than 1%
- Stores that have “high” competition tend to have conversion rates of less than 1% (jewelry is a good example of this)
- Stores that have a highly engaged audience or a very specific niche tend to have conversion rates of more than 2%

New store: Less than 50 sales a month, Average order value is less than \$75

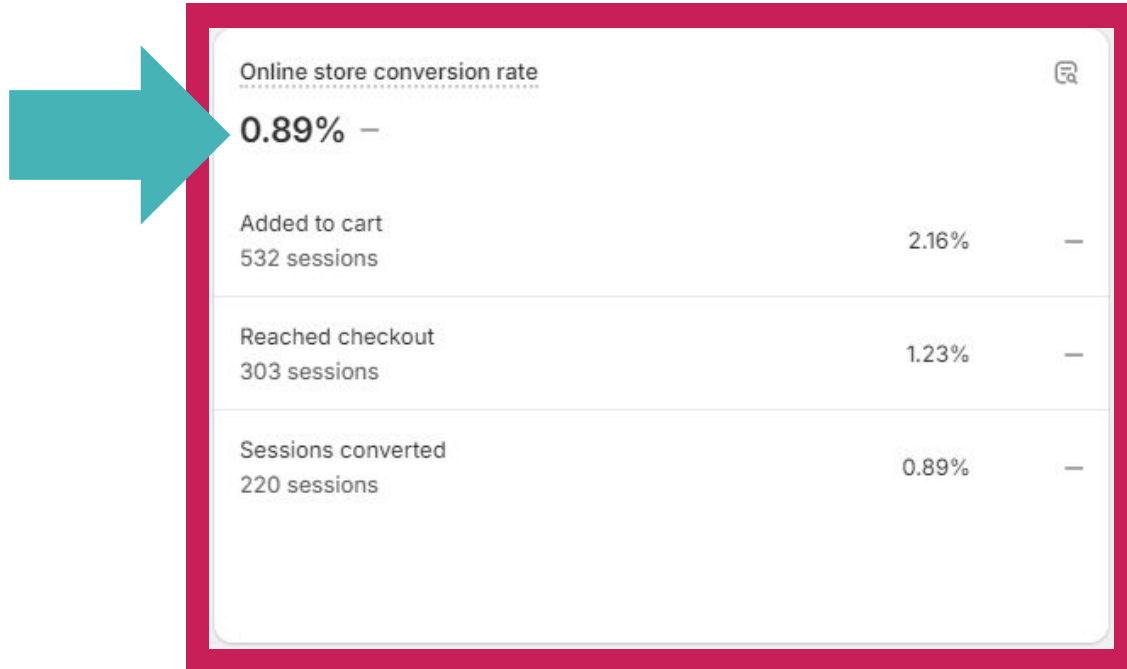


Established Store: More than 50 sales a month, average order value is less than \$75




<u>Online store conversion rate</u>		
1.32%	↘ 15%	
Added to cart 1,109 sessions	4.10%	↘ 1.4%
Reached checkout 487 sessions	1.80%	↘ 33%
Sessions converted 358 sessions	1.32%	↘ 15%

Established Store: more than 50 sales a month, Average order value more than \$75



Established Store: More than 50 Sales a month, AOV is \$70, very specific niche, highly engaged audience



Online store conversion rate		
4.11%		↘ 45%
Added to cart 845 sessions	6.28%	↘ 46%
Reached checkout 723 sessions	5.37%	↘ 52%
Sessions converted 553 sessions	4.11%	↘ 45%